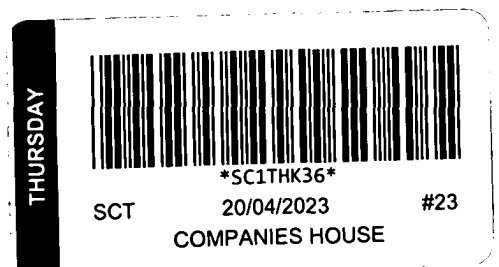


REGISTERED NUMBER: SC233835 (Scotland)

Companies House

KINGDOM TAVERNS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA



KINGDOM TAVERNS LIMITED

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KINGDOM TAVERNS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2022

DIRECTORS:	E Q Melville E D Melville D C Muir
REGISTERED OFFICE:	191 Nicol Street Kirkcaldy Fife KY1 1PF
REGISTERED NUMBER:	SC233835 (Scotland)
AUDITORS:	Milne Craig Chartered accountants Statutory auditor Abercorn House 79 Renfrew Road Paisley Renfrewshire PA3 4DA
BANKERS:	Clydesdale Bank Plc Largo House Carnegie Avenue Dunfermline Fife KY11 8PE
SOLICITORS:	McKenzies Solicitors 23 East Fergus Place Kirkcaldy KY1 1XT

KINGDOM TAVERNS LIMITED (REGISTERED NUMBER: SC233835)

**BALANCE SHEET
31 JULY 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	4	-	-
Tangible assets	5	7,986,200	7,986,200
		<u>7,986,200</u>	<u>7,986,200</u>
CURRENT ASSETS			
Stocks	6	42,274	24,585
Debtors	7	2,672,880	2,181,548
Cash in hand		9,222	8,822
		<u>2,724,376</u>	<u>2,214,955</u>
CREDITORS			
Amounts falling due within one year	8	1,470,436	1,279,958
NET CURRENT ASSETS		<u>1,253,940</u>	<u>934,997</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,240,140	8,921,197
CREDITORS			
Amounts falling due after more than one year	9	(540,593)	(951,308)
PROVISIONS FOR LIABILITIES	11	(523,526)	(520,191)
NET ASSETS		<u><u>8,176,021</u></u>	<u><u>7,449,698</u></u>
CAPITAL AND RESERVES			
Called up share capital		100,000	100,000
Other reserves		1,867,602	1,867,602
Retained earnings		6,208,419	5,482,096
SHAREHOLDERS' FUNDS		<u><u>8,176,021</u></u>	<u><u>7,449,698</u></u>

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 11 April 2023 and were signed on its behalf by:



E D Melville - Director

The notes form part of these financial statements

KINGDOM TAVERNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

1. STATUTORY INFORMATION

Kingdom Taverns Limited, is a private company, limited by shares, registered in Scotland. The company's registered number is SC233835 and registered office address is 191 Nicol Street, Kirkcaldy, Fife, KY1 1PF.

The nature of the company's operations and its principal activities are that of owning and managing bars.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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 £.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors have assessed the potential impact of Coronavirus and are not expecting that the long term trading or financial position of the Company will be significantly impacted. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In assessing this the directors have considered the loans provided to the company by the directors and by other group entities, and confirm that the intention is that these will remain in place for the foreseeable future.

Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

Inventories are assessed for evidence of obsolescence and a provision is made against any inventory unlikely to be sold, or where stock is sold post year end at a loss.

KINGDOM TAVERNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2022

2. ACCOUNTING POLICIES - continued

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Consideration is given to the point at which the company is entitled to receive the income, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the provision of services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due;
- the costs incurred can be measured reliably.

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.

Tangible fixed assets

Freehold property and fixtures and fittings are carried at fair value and as such no depreciation is charged.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of assets received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Stocks

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

KINGDOM TAVERNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2022

2. ACCOUNTING POLICIES - continued

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 transactions 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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, 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.

KINGDOM TAVERNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2022

2. ACCOUNTING POLICIES - continued

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated 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.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Pension costs and other post-retirement benefits

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

Cash and cash equivalents

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

Rental income

Rental income is credited to the profit and loss account when received.

KINGDOM TAVERNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2022

2. ACCOUNTING POLICIES - continued

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 49 (2021 - 33).

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 August 2021 and 31 July 2022	700,000
AMORTISATION	
At 1 August 2021 and 31 July 2022	700,000
NET BOOK VALUE	
At 31 July 2022	-
At 31 July 2021	-

KINGDOM TAVERNS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2022**

5. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1 August 2021 and 31 July 2022	7,255,200	731,000	7,986,200
NET BOOK VALUE			
At 31 July 2022	7,255,200	731,000	7,986,200
At 31 July 2021	7,255,200	731,000	7,986,200

Cost or valuation at 31 July 2022 is represented by:

	Freehold property £	Fixtures and fittings £	Totals £
Valuation in 2018	1,790,810	98,115	1,888,925
Cost	5,464,390	632,885	6,097,275
	7,255,200	731,000	7,986,200

6. STOCKS

	2022 £	2021 £
Stocks	42,274	24,585

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	56,565	52,376
Amounts owed by group undertakings	2,508,692	2,067,336
Other debtors	64,670	26,014
Due by associated companies	21,898	31,484
Prepayments and accrued income	21,055	4,338
	2,672,880	2,181,548

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Bank loans and overdrafts	147,496	185,289
Other loans	102,000	90,000
Trade creditors	446,774	364,744
Corporation tax	184,060	129,044
Social security and other taxes	111,725	58,073
Other creditors	152,344	143,079
Due to associated companies	72,662	10,409
Accruals and deferred income	253,375	299,320
	1,470,436	1,279,958

KINGDOM TAVERNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2022

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans - 1-2 years	10,000	10,000
Bank loans - 2-5 years	18,333	28,333
Other loans - 1-2 years	102,000	90,000
Other loans - 2-5 years	241,128	270,000
Other loans	-	93,424
Directors' loan accounts	169,132	459,551
	<u>540,593</u>	<u>951,308</u>

Amounts falling due in more than five years:

Repayable otherwise than by instalments		
Other loans	-	93,424
	<u>-</u>	<u>93,424</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank overdrafts	137,496	175,289
Bank loans	38,333	48,333
	<u>175,829</u>	<u>223,622</u>

The bank overdraft is secured by cross company guarantees between Kingdom Taverns Limited and fellow members of the group, Kingdom Hotels Limited and Kingdom Taverns Group Limited.

11. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax	<u>523,526</u>	<u>520,191</u>
		Deferred tax
		£
Balance at 1 August 2021		520,191
Originating & reversal of timing differences		128,181
Effect of changes in tax rate on opening liability		(124,846)
Balance at 31 July 2022		<u>523,526</u>

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Alex Webb BAcc FCCA (Senior Statutory Auditor)
for and on behalf of Milne Craig

KINGDOM TAVERNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JULY 2022

13. CONTINGENT LIABILITIES

Cross guarantees exist between all group companies in favour of the group bankers. At 31st July 2022, the group companies' combined bank borrowings amounted to £54,630 (2021 - £163,596).

14. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the year the company benefited from interest free loans from the company directors. The amount owed at 31st July 2022 was £169,132 (2021 - £459,551) to E Q Melville.

15. 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.

16. ULTIMATE CONTROLLING PARTY

By virtue of his interests in the share capital of Kingdom Taverns Group Limited, the parent company, Mr E Q Melville, a director, controls the majority of the voting rights and thus has ultimate control of the group.