

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017
FOR
CROYDON & DISTRICT MASONIC HALL PLC**

CROYDON & DISTRICT MASONIC HALL PLC

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FOR THE YEAR ENDED 31 AUGUST 2017**

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CROYDON & DISTRICT MASONIC HALL PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2017**

DIRECTORS:

B Payne
R T Fielding
W A Harris
D Candeland
G N Billington
I D Lloyd

SECRETARY:

R T Fielding

REGISTERED OFFICE:

73 Oakfield Road
Croydon
Surrey
CR0 2UX

REGISTERED NUMBER:

00453294 (England and Wales)

AUDITORS:

Kings Mill Partnership
Chartered Accountants and Statutory Auditors
75 Park Lane
Croydon
Surrey
CR9 1XS

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The strategic report for the financial year ended 31st August 2017 contains a fair review of the company's business as well as describing the principal risks and uncertainties it faces both in the short and long term.

The report attempts to achieve this by covering three main areas:

- i) Strategic Management;
- ii) Business Environment;
- iii) Business Performance.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of provision of accommodation and facilities for masonic organisations and Chapters as well as provision of function facilities for non-masonic organisations.

BACKGROUND

Strategic Management

The company was formed in 1948 for the purposes of purchasing the derelict and bomb-damaged Saint George's Presbyterian Church, which had closed in 1940, following the building being made available for sale in 1947.

The building was transformed into a centre providing masonic temples, dining facilities and committee rooms, and renamed Croydon & District Masonic Hall.

The strategic aim of the board is to maintain and develop the hall as a centre for freemasonry in the Croydon area and to provide a resource for non-masonic uses and functions to retain the institution's place within the wider community.

REVIEW OF BUSINESS

Business Environment

The company faces many challenges in a changing business environment.

These changes include:

- > A decline in the underlying membership of the various masonic orders that use the hall facilities;
- > An increase in legislative and regulatory compliance;
- > The age and underlying condition of the building; and
- > Increased expectation of the service experience of customers.

The board and management have made progress in attracting new masonic units and orders to the hall. They have also been successful in attracting an increased number of non-masonic users. This has resulted in an increase in turnover and additional repeat bookings.

This has been achieved by reorganising the business into two arms:

1. The CDMH arm, which is for Masonic units; and
2. The Festival Suite, which is for our outside events.

To further the reach into the wider community, advertising has been undertaken through various media. Having become a licensed venue for marriages and civil partnerships, the hall now promotes its availability for such ceremonies in the Wedding Finder website and Croydon Council's own publication. Funeral receptions are promoted on the Venues 4 Funerals website and in publications produced by JB Shakespeare Ltd and Rowland Brothers. All of which are starting to produce enquiries.

The company hosts two websites, the first is for lodge members, where up to date news and information can be accessed. From this site, lodge secretaries can download all the documentation for the hall along with dining order forms and wine lists. There is also a shareholders' portal, where shareholders can download copies of the Financial Statements.

The second site is used to promote the hall for all outside events. This site is constantly optimised for the search engines. This site is having success in bringing in enquiries to the hall. We also advertise the site through yellow pages online.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

These websites are further promoted by dedicated Twitter & Facebook pages, and users are encouraged to "follow" the hall.

The increase in legislative and regulatory compliance issues is being addressed by the formulation and implementation of documented policies and operating procedures. The implementation process has included appropriate training for staff at all levels.

The age and underlying condition of the building produces its own challenges. The board has decided that a rolling maintenance programme is to be employed to address these issues, the exception being where emergency repairs may be required due to unexpected adverse weather conditions.

The improvements to the hall this year included updating all emergency lighting throughout the building. This entailed relaying new carpet in the Wheeler corridor, installing LED lighting on the first-floor Wheeler corridor and redecorating within the Dering Temple.

Another renovation included a new museum display cabinet in the Shannon corridor built to house the hall's collection. It was moved to its new location to provide better security, this can be sectioned off during outside events.

A new till system has been installed in the bar. This incorporates a full stock control and activity reporting system. Recent results indicate this has already improved stock management and led to improvements in efficiency when menus and prices are updated. An additional benefit has been the transfer of food orders directly to the kitchen resulting in faster service.

The new VOIP (Voice Over Internet Protocol) telephone system has allowed several new lines to be made available to handle incoming calls. Use of the system's virtual switchboard allows calls to be directed to the appropriate department promptly further enhancing the hall's image as an efficient and well-run venue.

To enhance the customer experience, a programme of redecoration is planned.

The hall continues to have a small core of full-time management and administrative staff. Additional staffing requirements are met by using a mixture of part-time and agency workers. As event activity increases, the hall is planning to increase some area of its workforce to meet the new demand. A key challenge in this area will be dealing with the statutory increases due in the National Minimum Wage/National Living Wage rates over the coming years.

KEY FINANCIAL HIGHLIGHTS

Business Performance

The company's principal source of income is from bar and food sales. It has additional income from Temple hire, room hire, third party parking charges and bank interest.

The company made a profit before tax of £24,318 (2016 Loss £51,574) from its trading activities.

This was due to turnover increasing by 11% to £595,970 (2016 £536,798), while direct costs rose only 2% to £193,936 (2016 £189,434). The company was also able to improve its overall Gross Profit margin to 67% (2016 64%).

These overall improvements, are reflected in the figures for bar and food sales:

For food sales turnover rose 11% to £400,140 (2016 £361,114) and resulted in a Gross Profit margin of 69% (2016 66%). Similarly, bar sales rose 11% to £195,830 (2016 £175,684) with a Gross Profit margin of 65% (2016 62%).

Other income rose 26% to £162,299 (2016 £129,202). This was due to an increase in Temple hire fees from additional masonic units and orders being attracted to the hall and additional room hire fees.

The company continues to actively manage its working capital:

For the year food inventory turned over every 18.3 days (2016 17.2 days), while bar inventory turned over every 30.4 days (2016 32.0 days). These changes are due to increased business activity.

In the same period the Trade Receivable collection rose to 3.2 days from 0.7 days in 2016 and the figures for Trade Payables fell to 78.7 days from 144.6 days. The figures show that the company collects monies owed to it promptly, while maximising the use of the trade credit extended to it by its suppliers.

CROYDON & DISTRICT MASONIC HALL PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2017

KEY PERFORMANCE INDICATORS

Business Performance

The results for the year and financial position of the company are shown in the annexed financial statements. The company's key financial highlights are as follows:

	<u>2017</u> £	<u>2016</u> £	<u>Variance</u> %	<u>Variance</u> £
Turnover (Food)	400,140	361,114	+11	39,026
Turnover (Bar)	<u>195,830</u>	<u>175,684</u>	+11	<u>20,146</u>
Turnover (Total)	595,970	536,798	+11	59,172
Direct Costs	<u>(193,936)</u>	<u>(189,434)</u>	+2	<u>(4,502)</u>
Gross Profit	402,034	347,364	+16	54,670
Other income	162,299	129,202	+26	33,097
Profit Before Tax	24,318	(51,574)	+147	75,892
Food Inventory	18.3 days	17.2 days	+6	+1.1 days
Bar Inventory	30.4 days	32 days	-5	-1.6 days
Trade Receivables	3.2 days	0.7 days	+357	+2.5 days
Trade Payables	78.7 days	144.6 days	-46	-65.9 days

ON BEHALF OF THE BOARD:

G N Billington - Director

31 January 2018

CROYDON & DISTRICT MASONIC HALL PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2017

The directors present their report with the financial statements of the company for the year ended 31 August 2017.

DIVIDENDS

No dividends will be distributed for the year ended 31 August 2017.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 September 2016 to the date of this report unless otherwise stated.

Other changes in directors holding office are as follows:

J W Mason - resigned 11.10.16

The beneficial interests of the directors holding office at 31 August 2017 in the shares of the company, per the register of directors' interests, were as follows:

Ordinary shares of £1 each	31.8.17	1.9.16
B Payne	5	5
R T Fielding	-	-
W A Harris	-	-
D Candeland	-	-
G N Billington	-	-
I D Lloyd	-	-

These directors did not hold any non-beneficial interests in the shares of the company.

In accordance with the Articles of Association, G N Billington and R T Fielding will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

TAXATION

On the information available to the Directors, the Company is not a Close Company within the meaning of the Corporation Taxes Act, 2010.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CROYDON & DISTRICT MASONIC HALL PLC

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 company'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 company's auditors are aware of that information.

AUDITORS

The auditors, Kings Mill Partnership, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

G N Billington - Director

31 January 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CROYDON & DISTRICT MASONIC HALL PLC

Opinion

We have audited the financial statements of Croydon & District Masonic Hall PLC (the 'company') for the year ended 31 August 2017 on pages nine to twenty. 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its 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 company 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the 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 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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 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 CROYDON & DISTRICT MASONIC HALL PLC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our 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.

Paul Taylor FCA (Senior Statutory Auditor)
for and on behalf of Kings Mill Partnership
Chartered Accountants and Statutory Auditors
75 Park Lane
Croydon
Surrey
CR9 1XS

31 January 2018

CROYDON & DISTRICT MASONIC HALL PLC

**INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 £	2016 £
TURNOVER		595,970	536,798
Cost of sales		<u>(193,936)</u>	<u>(189,434)</u>
GROSS PROFIT		402,034	347,364
Administrative expenses		<u>(540,015)</u>	<u>(528,140)</u>
		(137,981)	(180,776)
Other operating income		<u>161,428</u>	<u>127,651</u>
OPERATING PROFIT/(LOSS)	6	23,447	(53,125)
Interest receivable and similar income		<u>871</u>	<u>1,551</u>
PROFIT/(LOSS) BEFORE TAXATION		24,318	(51,574)
Tax on profit/(loss)	7	<u>(8,464)</u>	<u>12,933</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>15,854</u>	<u>(38,641)</u>

The notes form part of these financial statements

CROYDON & DISTRICT MASONIC HALL PLC

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 £	2016 £
PROFIT/(LOSS) FOR THE YEAR		15,854	(38,641)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>15,854</u>	<u>(38,641)</u>

The notes form part of these financial statements

CROYDON & DISTRICT MASONIC HALL PLC (REGISTERED NUMBER: 00453294)**BALANCE SHEET
31 AUGUST 2017**

		2017		2016	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	9		455,084		457,666
CURRENT ASSETS					
Stocks	10	14,913		10,791	
Debtors	11	39,503		37,191	
Cash at bank		<u>265,635</u>		<u>270,773</u>	
		320,051		318,755	
CREDITORS					
Amounts falling due within one year	12	<u>72,827</u>		<u>98,261</u>	
NET CURRENT ASSETS			<u>247,224</u>		<u>220,494</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			702,308		678,160
PROVISIONS FOR LIABILITIES	14		<u>25,683</u>		<u>17,389</u>
NET ASSETS			<u>676,625</u>		<u>660,771</u>
CAPITAL AND RESERVES					
Called up share capital	15		57,932		57,932
Retained earnings	16		<u>618,693</u>		<u>602,839</u>
SHAREHOLDERS' FUNDS			<u>676,625</u>		<u>660,771</u>

The financial statements were approved by the Board of Directors on 31 January 2018 and were signed on its behalf by:

G N Billington - Director

D Candeland - Director

The notes form part of these financial statements

CROYDON & DISTRICT MASONIC HALL PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2017**

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 September 2015	56,932	615,128	26,352	698,412
Changes in equity				
Issue of share capital	1,000	-	-	1,000
Total comprehensive income	<u>-</u>	<u>(12,289)</u>	<u>(26,352)</u>	<u>(38,641)</u>
Balance at 31 August 2016	<u>57,932</u>	<u>602,839</u>	<u>-</u>	<u>660,771</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>15,854</u>	<u>-</u>	<u>15,854</u>
Balance at 31 August 2017	<u><u>57,932</u></u>	<u><u>618,693</u></u>	<u><u>-</u></u>	<u><u>676,625</u></u>

The notes form part of these financial statements

CROYDON & DISTRICT MASONIC HALL PLC**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

		2017	2016
		£	£
Cash flows from operating activities	Notes		
Cash generated from operations	A	14,776	6,193
Tax paid		<u>-</u>	<u>(4,731)</u>
Net cash from operating activities		<u>14,776</u>	<u>1,462</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(20,785)	(31,984)
Sale of tangible fixed assets		-	1
Interest received		<u>871</u>	<u>1,551</u>
Net cash from investing activities		<u>(19,914)</u>	<u>(30,432)</u>
Cash flows from financing activities			
Share issue		<u>-</u>	<u>1,000</u>
Net cash from financing activities		<u>-</u>	<u>1,000</u>
		<u>-</u>	<u>-</u>
Decrease in cash and cash equivalents		(5,138)	(27,970)
Cash and cash equivalents at beginning of year	B	270,773	298,743
Cash and cash equivalents at end of year	B	<u>265,635</u>	<u>270,773</u>

The notes form part of these financial statements

CROYDON & DISTRICT MASONIC HALL PLC

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

A. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit/(loss) before taxation	24,318	(51,574)
Depreciation charges	23,367	22,137
Loss on disposal of fixed assets	-	103
Finance income	<u>(871)</u>	<u>(1,551)</u>
	46,814	(30,885)
(Increase)/decrease in stocks	(4,122)	2,944
Increase in trade and other debtors	(2,482)	(1,498)
(Decrease)/increase in trade and other creditors	<u>(25,434)</u>	<u>35,632</u>
Cash generated from operations	<u><u>14,776</u></u>	<u><u>6,193</u></u>

B. 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 August 2017

	31.8.17	1.9.16
	£	£
Cash and cash equivalents	<u>265,635</u>	<u>270,773</u>

Year ended 31 August 2016

	31.8.16	1.9.15
	£	£
Cash and cash equivalents	<u>270,773</u>	<u>298,743</u>

The notes form part of these financial statements

1. GENERAL INFORMATION

Croydon & District Masonic Hall PLC is a company limited by shares, incorporated in England and Wales. Its registered office is 73 Oakfield Road, Croydon, Surrey, CR0 2UX.

2. STATUTORY INFORMATION

Croydon & District Masonic Hall PLC is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. STATEMENT OF COMPLIANCE

The individual financial statements of Croydon & District Masonic Hall PLC have been prepared in accordance with Financial Reporting Standard 102 (FRS102) and Companies Act 2006.

4. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under historic cost convention.

Revenue recognition

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

Tangible fixed assets

Land and building include freehold premises and land. Land and building are carried at historic cost, less subsequent depreciation and impairment losses.

Land is not depreciated. Depreciation on other assets is calculated to write off the cost of an asset over its estimated useful life as follows:

Freehold property	1%	Straight line
Fixtures & fittings and catering equipment	10%	Straight line
Office equipment	20%	Straight line

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in profit and loss and included in other operating income.

Inventories

Inventories are measured at the lower of cost and net realisable value less any allowance for perished items. Cost is calculated on a first in, first out basis and includes all costs of purchase and other costs incurred in bringing inventories to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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 FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2017

4. ACCOUNTING POLICIES - continued

Taxation

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.

Leases

Expenditure incurred in respect of operating leases is written off as a charge to the profit and loss account in the year in which it is incurred.

Provisions

Provisions are recognised when the company has a legal or constructive obligation at the reporting date as the result of past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated. is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Employee benefits

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

5. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	303,785	257,468
Social security costs	14,029	11,545
Other pension costs	<u>1,443</u>	<u>1,443</u>
	<u>319,257</u>	<u>270,456</u>

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

	2017	2016
Office and Management	4	3
Catering and Bar Staff	3	3
Part time staff	<u>29</u>	<u>21</u>
	<u>36</u>	<u>27</u>

The time and services of the Directors are provided voluntarily and consequently no fees or other emoluments were either paid or payable to them apart from D Candeland the Managing Director whose salary was £25,000 in year end 31st August 2017 (£15,995 2016) and G Billington the Chairman whose salary was £18,750 in year end 31st August 2017 (£Nil 2016). No retirement benefits are due to the Directors.

	2017 £	2016 £
Directors' remuneration	<u>43,750</u>	<u>15,995</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2017

6. OPERATING PROFIT/(LOSS)

The operating profit (2016 - operating loss) is stated after charging:

	2017	2016
	£	£
Depreciation - owned assets	23,367	22,137
Loss on disposal of fixed assets	-	103
Audit & Accountancy fees	<u>6,300</u>	<u>6,120</u>

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	170	-
Prior year adjustment	<u>-</u>	<u>(2,895)</u>
Total current tax	170	(2,895)
Deferred tax:		
Origination and reversal of timing differences	<u>8,294</u>	<u>(10,038)</u>
Tax on profit/(loss)	<u>8,464</u>	<u>(12,933)</u>

Reconciliation of total tax charge/(credit) included in profit and loss

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

	2017	2016
	£	£
Profit/(loss) before tax	<u>24,318</u>	<u>(51,574)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19.580% (2016 - 20%)	4,761	(10,315)
Effects of:		
Expenses not deductible for tax purposes	(4,591)	(2,618)
Timing differences	<u>8,294</u>	<u>-</u>
Total tax charge/(credit)	<u>8,464</u>	<u>(12,933)</u>

CROYDON & DISTRICT MASONIC HALL PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2017**

8. OPERATING LEASE RENTALS

Operating lease rentals can be analysed as follows

	2017 £	2016 £
Hire of plant and machinery	686	772
	<u>686</u>	<u>772</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Catering equipment £	Fixtures and fittings £	Office equipment £	Totals £
COST					
At 1 September 2016	416,451	55,120	424,025	8,895	904,491
Additions	-	2,833	9,199	8,753	20,785
Disposals	<u>-</u>	<u>-</u>	<u>(1,957)</u>	<u>(1,994)</u>	<u>(3,951)</u>
At 31 August 2017	<u>416,451</u>	<u>57,953</u>	<u>431,267</u>	<u>15,654</u>	<u>921,325</u>
DEPRECIATION					
At 1 September 2016	57,841	37,502	343,992	7,490	446,825
Charge for year	3,409	3,069	15,659	1,230	23,367
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(1,957)</u>	<u>(1,994)</u>	<u>(3,951)</u>
At 31 August 2017	<u>61,250</u>	<u>40,571</u>	<u>357,694</u>	<u>6,726</u>	<u>466,241</u>
NET BOOK VALUE					
At 31 August 2017	<u>355,201</u>	<u>17,382</u>	<u>73,573</u>	<u>8,928</u>	<u>455,084</u>
At 31 August 2016	<u>358,610</u>	<u>17,618</u>	<u>80,033</u>	<u>1,405</u>	<u>457,666</u>

Included in cost of land and buildings is freehold land of £75,651 (2016 - £75,651) which is not depreciated.

10. STOCKS

	2017 £	2016 £
Goods for resale	<u>14,913</u>	<u>10,791</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	5,143	3,736
Other debtors	-	425
Corporation tax	2,725	2,895
Prepayments and accrued income	<u>31,635</u>	<u>30,135</u>
	<u>39,503</u>	<u>37,191</u>

CROYDON & DISTRICT MASONIC HALL PLC

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FOR THE YEAR ENDED 31 AUGUST 2017**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	41,800	75,058
Other taxation and social security	13,604	7,111
Other creditors	70	55
Accruals and deferred income	<u>17,353</u>	<u>16,037</u>
	<u>72,827</u>	<u>98,261</u>

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	3,091	686
Between one and five years	<u>5,432</u>	<u>749</u>
	<u>8,523</u>	<u>1,435</u>

14. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax		
Accelerated capital allowances	30,432	27,162
Anticipated loss relief	<u>(4,749)</u>	<u>(9,773)</u>
	<u>25,683</u>	<u>17,389</u>

	Deferred tax £
Balance at 1 September 2016	17,389
Provision made in the year	<u>8,294</u>
Balance at 31 August 2017	<u>25,683</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2017	2016
Number:	Class:	Nominal value:	£	£
57,932	Ordinary	£1	<u>57,932</u>	<u>57,932</u>

CROYDON & DISTRICT MASONIC HALL PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2017**

16. **RESERVES**

	Retained earnings £
At 1 September 2016	602,839
Profit for the year	<u>15,854</u>
At 31 August 2017	<u><u>618,693</u></u>

This page does not form part of the statutory financial statements
