

COMPANY REGISTRATION NO. 05216515 (England and Wales)

J.H. LEEKE AND SONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

J.H. LEEKE AND SONS LIMITED

COMPANY INFORMATION

Directors	Mr G L Leeke OBE FCA Ms E J Leeke Mr S J Leeke Mr M A Fowler FCCA Mr P Martin Mr C Leeke Mrs J E Littlejohn	(Appointed 12 February 2021)
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Company number	05216515
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Registered office	Mwyndy Business Park Mwyndy Pontyclun Mid Glamorgan Wales CF72 8PN
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Auditor	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW
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J.H. LEEKE AND SONS LIMITED

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J.H. LEEKE AND SONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Fair review of the business

The group's principal activities continued to be those of the operation of home retail stores, the running of a hotel, leisure and golf resort and a property development company. In February 2020 a group company, Vale of Glamorgan Hotel Limited, became the majority shareholder in its subsidiary Bottlers and Distillers (Wales) Limited whose activities include the manufacture of spirits, contract bottling and the operation of a visitor centre. In March 2021, the group became the sole shareholder in Bottlers and Distillers (Wales) Limited.

The group's growth was significantly impacted by the outbreak of the Covid-19 pandemic from March 2020 onwards. Leeckes Retail were forced to close its stores for several periods in the year and were partially open or under restrictions during other times. The Vale Resort was affected to an even greater degree with the Resort either closed or under restrictions for the vast majority of the year. The Distillery company was also impacted by the closure of the "on-trade" pubs and restaurant businesses during significant periods in the year and the delayed opening of its visitor centre.

The group's turnover of £50.6m in 2020/21 was £25.1m (33%) down on the previous year as a result of the impact of the closures and significantly restricted trading activity brought about by the government guidance and regulations. The board of directors undertook measures to ensure that, despite the significant fall in trading revenues caused by the pandemic, the key strategic objectives of the group were achieved as follows:

- We maintained the high levels of customer service to our customers across our group operations whilst ensuring that we complied with all government guidance and regulations;
- We minimised the number of compulsory redundancies in the group thereby, protecting the employment of as many of our loyal and valued employees as possible;
- We complied with the financial covenants contained in our banking facility agreement thereby ensuring the continued viability and development of the group and its subsidiary operations;
- We complied with the pre-existing credit terms agreed with our supplier base by paying all amounts due on time and in full; and
- We maintained the strong group balance sheet equity and liquidity thereby ensuring we were in a position to continue with our programme of capital investment across the group once the impact of the pandemic started to recede.

We are pleased to report that we were largely able to comply with these objectives with the support of Economic Resilience Grants from Welsh Government and the utilisation of the Job Retention Scheme furlough grants from HMRC. In addition, the company disposed of its Park Furnishers Store at Willway Street, Bristol with the proceeds of sale earmarked for future capital investment projects and ensuring we complied with our facility limits and the financial covenants contained in our banking facility agreements. Trading in the new Park Furnishers store in Eastgate Retail Park, Bristol has been very encouraging, exceeding expectations since opening in April 2021.

Despite the substantial reduction in turnover, the various measures undertaken meant that the group improved on many of its key performance measures as follows:

	2020/21 £'000	2019/20 £'000	Variance £'000
Turnover	50,457	75,837	(33%)
EBITDA*	5,464	4,075	+34%
EBITDA % to Turnover	10.8%	5.4%	+5.4%
Profit before tax and exceptional items	2,733	1,023	+63%
Net Assets	£74.8m	£69.6m	+8%
Net Bank Debt	£21.5m	£29.9m	-28%
Gearing	29%	43%	-14%
Net Debt/EBITDA Leverage	3.9 times	7.1 times	-3.2 times

*EBITDA is defined as earnings before interest, tax, depreciation, amortisation, loss on disposal and exceptional items.

The directors consider the above performance to be very pleasing given the severe restrictions in place throughout the year.

J.H. LEEKE AND SONS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Performance review - Leekes Limited (Leekes Retail)

Leekes Retail's revenues were significantly impacted by the Covid-19 pandemic with its stores were either closed or significantly restricted during several periods in the year.

Sales orders generated were down 42% (£27m) on the prior year and this is considered to be best measurement of the impact of the Covid-19 restrictions. However, the company benefited from a very strong pipeline position at the start of the financial year. This pipeline position represents sales orders generated in the previous accounting year but delivered in the current financial year (once restrictions were lifted to allow customer deliveries to take place) and therefore recognised in the accounts in the current financial year.

Despite the benefit of this strong pipeline position at the start of the financial year attributable to sales orders taken before the onset of the Covid-19 pandemic, delivered sales were still £19.3m (32%) down on the prior year due to the restrictions on trading in place.

Despite the fall in delivered sales, the EBITDA and profit before tax outcomes improved on the prior year due to the significant cost control and efficiency measures undertaken as shown below:

	2020/21	2019/20	Variance
	£000	£000	£000
Turnover	41,881	61,177	-32%
EBITDA	4,160	1,718	+142%
Profit before tax and exceptional items	2,444	(291)	2,735

Key performance indicators - Leekes Limited

The directors closely monitor the business performance through the use of both financial and non-financial KPIs. Financial KPIs are used at the three main levels of the business - by store, by business unit and by department - and include:

- Sales targets by store, department and section
- Sales and profitability by store and department
- Pipeline sales orders generated
- Gross margin targets
- Additional income generated by salesman
- Return on store investment targets
- Cash flow targets based on the cash flow generated from profitability, working capital movements and control of capital expenditure budgets

The directors monitor the performance on the KPIs on a daily, weekly or monthly basis as appropriate and this close control has contributed to the EBITDA improvement of over £2m achieved in the last three years.

Non-financial KPIs used include mystery shopper surveys, delivery satisfaction surveys, staff retention levels, lead generation and sales conversions by salesman and ensure our team is working together to improve customer satisfaction, employee engagement and future business.

J.H. LEEKE AND SONS LIMITED**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****Post year-end trading review – Leekes Retail**

The company's delivered sales have been impacted post year-end by the closure of its stores during the key winter sale period. However, sales orders generation since reopening has been very strong. This coupled with continued focus on operating effectiveness and cost controls has meant that the profits for the 5 months to 31 August 2021 are up on the prior year as follows:

	5 months to 31/08/2021	5 months to 31/08/2020	Variance
Turnover/ Delivered Sales	£22.9m	£17.5m	+31%
EBITDA	£2.73m	£2.45m	+11%
Pre-tax Profit	£2.05m	£1.73m	+£0.32m

Performance review - Vale Resort

The Vale Resort has performed very well for successive years.

Prior to the onset of the Covid-19 pandemic, the forward bookings indicated that the Vale Resort would achieve significant revenues and profits in this financial year. However, it was significantly impacted by the Covid-19 related restrictions with the Resort either closed or significantly impacted throughout the vast majority of the year which resulted in turnover being down £8.9m (63%) on the prior year.

The Resort undertook a number of measures to mitigate the impact of the significant fall in turnover, including:

- Implementation of cost control measures including utilisation of the Job Retention Scheme furlough grant which have ensured that the payroll headcount is now close to pre-pandemic levels;
- The receipt of Economic Resilience Fund grants from Welsh Government ;
- Maximising trading in periods when the Resort was allowed to open, albeit still under restrictions.

The impact of these measures meant that the Resort generated a positive EBITDA in the period. However the restrictions implemented resulted in a significant fall in turnover which prevented the company from realising the profits on the considerable amount of business on the books for 2020/21 that was already in place before Covid-19 occurred:

	2020/21 £'000	2019/20 £'000	Variance £'000
Turnover	5,286	14,163	-63%
EBITDA	808	2,390	(1,582)
Pre-tax profit/(loss)	(85)	1,409	(1,494)

Post year-end trading review – Vale Resort

Despite the impact of continued restrictions in April and May 2021, trading has been very buoyant post year-end and profitability is starting to return to pre-pandemic levels.

	5 months to 31/08/2021	5 months to 31/08/2020	Variance
Turnover/ Delivered Sales	£5.35m	£1.15m	+367%
EBITDA	£1.55m	£(0.24m)	+£1.79m
Pre-tax Profit	£1.16m	£(0.6m)	+£1.76m

Key Performance Indicators - Vale Resort

The directors closely monitor the business performance through the use of both financial and non-financial KPIs. Financial KPIs include room occupancy percentages, average room rates, membership numbers, food and beverage revenues per available room, new leisure membership targets, leisure membership retention targets, spa and golf course utilisations. The directors compare the performance on these KPIs against both the internal budgets and targets set and against competitor benchmarking data. The directors are pleased to report that the Vale Resort has consistently outperformed its competitor set in respect of profitability per available room over an extended period. Non-financial KPIs include customer and member feedback surveys, mystery shopper programmes, staff retention levels and sales conversion targets.

J.H. LEEKE AND SONS LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Principal risk and uncertainties

The group has moderate exposure to variations in interest rates and foreign exchange. At present, the directors do not consider it necessary to hedge our exposure to foreign exchange rate fluctuations. However, during 2019/20 the group took advantage of a 3 month Libor 10 year swap rate of 0.8825% per annum which will protect it against interest rate volatility over that period. The business is monitored for changes in the risk profile of such exposure and will consider using other financial instruments and derivatives as appropriate.

The group has some exposure to credit or liquidity risk on its trade receivables but this is not significant relative to the size of its balance sheet due to the fact that it is principally a cash-based business. Cash flow risks, relating to demands of working capital, are mitigated through the careful management of stock holdings, review of supplier credit terms, and the management of cash on a group-wide basis to meet the group's cash requirements.

Future prospects and going concern

The group will continue to operate in the business areas in which it is engaged and aims to exploit new activities as they arise.

The group meets its day-to-day working capital requirements through a composite account facility and debt facilities provided by the group's bankers. Despite the challenges brought about by the severe Covid-19 restrictions introduced, the group complied with all its banking covenants which includes a Revolving Credit Facility of £28m and a Term Loan of £10m which along with the cash generated from the strong profitability being generated allows the group to continue to invest in its core operations.

Hensol Castle Distillery has been an excellent addition to the group, has traded strongly in 2020/21 to date and is projected to continue to have a very positive effect on group profitability and cash generation.

The group's current bank financing deal is due for renewal in February 2022. The directors are pleased to report that the group has agreed Heads of Terms for a £35m facility comprising a £30m Revolving Credit Facility and a £5m term loan to be amortised over the three year term.

The group has net assets of approximately £75m at 31 March 2021 which includes substantial freehold property valuations and has sufficient headroom on all its banking covenants including interest cover and loan to value and gearing ratios.

Furthermore, the group's forecasts and projections, taking account of reasonably possible changes in trading performance on the back of any further possible disruption to trading caused by the Covid-19 pandemic, show that the group has sufficient liquidity to operate within the level of its current facilities for at least the next 12 months. Net assets have increased to approximately £78m at the date of reporting further illustrating the robustness of our balance sheet.

Group revenues and profitability have rebounded strongly post year-end as follows:

	5 months to 31/08/2021	5 months to 31/08/2020	Variance
Turnover/ Delivered Sales	£29.44m	£20.60m	+43%
EBITDA	£4.32m	£2.99m	+£1.33m
Pre-tax Profit	£3.27m	£1.83m	+£1.44m

J.H. LEEKE AND SONS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Promoting the success of the company

Section 172 of the Companies Act 2006 requires that directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term
- b. The interests of the company's employees
- c. The need to foster the company's business relationships with suppliers, customers and others
- d. The impact of the company's operations on the community and the environment
- e. The desirability of the company maintaining a reputation for high standards of business conduct
- f. The need to act fairly as between members of the company

The directors acknowledge their responsibilities and are satisfied they have met their duties regarding these matters in the decisions they have made during the year ended 31 March 2021.

Corporate commitments

As a family business we appreciate the wider impact that we have on our teams, communities and the environment and have defined the following commitments:

- We will continue to focus our attention on all aspects of well-being, respecting our duty to protect and nurture;
- We will embrace technology in our products and processes to drive efficiencies and improvements;
- We are proud to be part of our local community and will continue to support and be a positive resource;
- We accept our environmental responsibility and will continue to look to mitigate our impact where possible.

Stakeholder responsibilities

The group recognises the contribution of all its employees and is committed to recruiting, developing and retaining a strong and diverse workforce. The group has implemented a structured framework for employees to progress their careers with the Leekes Retail and Leisure Group and has reinforced the importance of fair and transparent performance management.

The directors acknowledge the importance of the group's customers to its success. We are committed to providing the highest levels of service to our customers.

We recognise the key part that our suppliers play in our business. We value all our suppliers and enjoy positive and often long standing relationships with our key suppliers.

The group is aware of its corporate social accountability, particularly in the area of our interaction with our neighbours and the environment.

Health & safety

The group acknowledges its responsibilities under the Health and Safety at Work Act 1974, The Management of Health and Safety at Work Regulations 1992 and 1999 and associated protective legislation, both as an employer and as a business. To achieve these objectives the group has appointed designated team members to be responsible for ensuring that we keep workplace health, safety and welfare procedures under constant review, implement continuous improvement; to liaise with the Health and Safety Executive wherever necessary; and to keep the group and its Board of Directors abreast of new legislation, in order to ensure ongoing compliance with the law.

J.H. LEEKE AND SONS LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

On behalf of the board

Mr M A Fowler FCCA
Director

27 September 2021

J.H. LEEKE AND SONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company and group continued to be those of the operation of out-of-town department stores, the running of a hotel, leisure and golf resort, a development company, distilling, rectifying and blending of spirits, a contract bottling operation and a visitor's centre.

Results and dividends

The results for the year are set out on pages 14 to 15, a fair review of the business and performance review is set out in the strategic report on pages 1 to 6.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr G L Lecke OBE FCA	
Mr S N Lecke	(Resigned 30 October 2020)
Mrs D E G Cook	(Resigned 30 October 2020)
Ms E J Lecke	
Mr S J Lecke	
Mr M A Fowler FCCA	
Mr P Martin	
Mr C Lecke	
Mrs J E Littlejohn	(Appointed 12 February 2021)

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

UHY Hacker Young have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Energy and carbon report

J.H. Lecke and Sons Limited is classed as a large unquoted group within the SECR regulations and therefore is required to submit a SECR report as part of the directors' report within the annual accounts as submitted to Companies House.

	2021	2020
	kWh	kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	6,853,847	9,374,163
- Fuel consumed for transport	3,113,142	5,236,160
- Electricity purchased	7,048,225	10,497,166
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	17,015,214	25,107,489
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J.H. LEEKE AND SONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	metric tonnes	metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	1,537.00	2,106.00
- Fuel consumed for owned transport	742.00	1,195.00
	<u>2,279.00</u>	<u>3,301.00</u>
Scope 2 - indirect emissions		
- Electricity purchased	1,784.00	2,911.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the group	55.00	168.00
	<u>55.00</u>	<u>168.00</u>
Total gross emissions	<u>4,118.00</u>	<u>6,380.00</u>
<i>Intensity ratio</i>		
Intensity ratio t CO2e per £M turnover	79	80

Quantification and reporting methodology

Energy consumption and emissions have been externally calculated by Amber Energy. Amber's internally derived methodology has been used to ensure compliance with the SECR requirements. The government issued "Greenhouse gas reporting: conversion factors 2020" conversion figures for CO2e were used along with the fuel property figures to determine the kWh.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £m turnover.

Measures taken to improve energy efficiency

J.H. Leeke and Sons Limited continue to strive for energy and carbon reduction arising from their activities. As such, during this financial period the group undertook the following energy efficiency actions:

- During COVID lockdowns it was ensured that consumption was reduced by site as much as possible.
- Currently undertaking a review of the lighting consumption and associated fittings with a view to replace these with more efficient equivalents.

In addition to the energy efficiency actions, the group also undertook the following carbon reduction activities:

- Achieved a 25% conversion of the company car fleet to electric vehicles and a continuing significant renewal of our commercial fleet ensuring all new vehicles comply with current clean air standards.
- Instructed the installation of a 500kw solar panel system at our Melksham store.
- Reviewing the gas oil heating system at the Cross Hands site, with a view to replace this with a cleaner fuel alternative within the next 12 months.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

J.H. LEEKE AND SONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

On behalf of the board

Mr M A Fowler FCCA
Director

27 September 2021

J.H. LEEKE AND SONS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

The directors are responsible for preparing the Annual Report 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 group and company, 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;
- state whether applicable UK 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

J.H. LEEKE AND SONS LIMITED

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF J.H. LEEKE AND SONS LIMITED**

Opinion

We have audited the financial statements of J.H. Leeke and Sons Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the parent company's affairs as at 31 March 2021 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 *Auditor's 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

J.H. LEEKE AND SONS LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF J.H. LEEKE AND SONS 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 strategic report and the directors' report.

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 directors' responsibilities statement, 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 is 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and ISO standards;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

J.H. LEEKE AND SONS LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF J.H. LEEKE AND SONS LIMITED**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 an auditor's report 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.

Mr John Griffiths (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

27 September 2021

Chartered Accountants
Statutory Auditor

Newport
South Wales
United Kingdom

J.H. LEEKE AND SONS LIMITED
GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

		Excluding exceptional items	Exceptional items	Total	Excluding exceptional items	Exceptional items	Total
	Notes	2021	2021 (Note 9)	2021	2020	2020 (Note 9)	2020
		£	£	£	£	£	£
Turnover	3						
Cost of sales		50,456,899 (32,170,121)	- -	50,456,899 (32,170,121)	75,837,360 (45,222,703)	- -	75,837,360 (45,222,703)
Gross profit		18,286,778	-	18,286,778	30,614,657	-	30,614,657
Administrative expenses		(23,232,216)	2,549,044	(20,683,172)	(30,284,615)	(85,309)	(30,369,924)
Other operating income	4	8,209,019	-	8,209,019	1,432,162	-	1,432,162
Operating profit	5	3,263,581	2,549,044	5,812,625	1,762,204	(85,309)	1,676,895
Interest receivable and similar income	10	932	-	932	4,139	-	4,139
Interest payable and similar expenses	11	(531,599)	-	(531,599)	(742,918)	-	(742,918)
Other gains and losses	12	-	322,636	322,636	-	(368,609)	(368,609)
Profit before taxation		2,732,914	2,871,680	5,604,594	1,023,425	(453,918)	569,507
Tax on profit	13	(501,553)	-	(501,553)	48,136	-	48,136
Profit for the financial year		2,231,361	2,871,680	5,103,041	1,071,561	(453,918)	617,643

J.H. LEEKE AND SONS LIMITED

GROUP PROFIT AND LOSS ACCOUNT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

	Excluding exceptional items 2021	Exceptional items 2021 (Note 9)	Total exceptional items 2021	Excluding exceptional items 2020	Exceptional items 2020 (Note 9)	Total
Notes	£	£	£	£	£	£
Profit for the financial year is attributable to:						
- Owners of the parent company			5,077,012			648,349
- Non-controlling interests			26,029			(30,706)
			<u>5,103,041</u>			<u>617,643</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

J.H. LEEKE AND SONS LIMITED**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	£	£
Profit for the year	5,103,041	617,643
Other comprehensive income		
Actuarial gain/(loss) on defined benefit pension schemes	92,000	(138,000)
Tax relating to other comprehensive income	(17,480)	26,220
Other comprehensive income for the year	74,520	(111,780)
Total comprehensive income for the year	5,177,561	505,863
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	5,151,532	536,569
- Non-controlling interests	26,029	(30,706)
	5,177,561	505,863

J.H. LEEKE AND SONS LIMITED

**GROUP BALANCE SHEET
AS AT 31 MARCH 2021**

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Goodwill	15		2,104,703		2,895,142
Other intangible assets	15		2,347		2,660
			<hr/>		<hr/>
Total intangible assets			2,107,050		2,897,802
Tangible assets	16		86,405,929		89,833,768
Investments	17		2,341		12,341
			<hr/>		<hr/>
			88,515,320		92,743,911
Current assets					
Stocks	20	17,168,125		17,914,931	
Debtors	21	5,846,846		6,884,086	
Cash at bank and in hand		2,975,301		2,763,601	
		<hr/>		<hr/>	
		25,990,272		27,562,618	
Creditors: amounts falling due within one year	22	(12,940,628)		(15,479,959)	
		<hr/>		<hr/>	
Net current assets			13,049,644		12,082,659
			<hr/>		<hr/>
Total assets less current liabilities			101,564,964		104,826,570
Creditors: amounts falling due after more than one year	23		(24,519,929)		(33,298,972)
Provisions for liabilities	26		(1,977,357)		(1,407,481)
			<hr/>		<hr/>
Net assets excluding pension liability			75,067,678		70,120,117
Defined benefit pension liability	28		(415,200)		(515,200)
			<hr/>		<hr/>
Net assets			74,652,478		69,604,917
			<hr/> <hr/>		<hr/> <hr/>

J.H. LEEKE AND SONS LIMITED**GROUP BALANCE SHEET (CONTINUED)****AS AT 31 MARCH 2021**

		2021		2020	
	Notes	£	£	£	£
Capital and reserves					
Called up share capital	27	1,657,024		1,657,024	
Share premium account		3,277,560		3,277,560	
Revaluation reserve		15,655,458		15,655,458	
Other reserves		1,162,296		1,162,296	
Profit and loss reserves		52,900,140		47,765,604	
Equity attributable to owners of the parent company		74,652,478		69,517,942	
Non-controlling interests		-		86,975	
		74,652,478		69,604,917	

The financial statements were approved by the board of directors and authorised for issue on 27 September 2021 and are signed on its behalf by:

Mr M A Fowler FCCA
Director

J.H. LEEKE AND SONS LIMITED**COMPANY BALANCE SHEET
AS AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	17	23,660,202		23,660,202	
Current assets					
Debtors falling due after more than one year	21	42,187,277		49,027,136	
Debtors falling due within one year	21	140		140	
Cash at bank and in hand		98		1,054,954	
		<u>42,187,515</u>		<u>50,082,230</u>	
Creditors: amounts falling due within one year	22	<u>(391,424)</u>		<u>(434,749)</u>	
Net current assets			41,796,091		49,647,481
Total assets less current liabilities			<u>65,456,293</u>		<u>73,307,683</u>
Creditors: amounts falling due after more than one year	23		<u>(37,804,671)</u>		<u>(45,976,514)</u>
Net assets			<u>27,651,622</u>		<u>27,331,169</u>
Capital and reserves					
Called up share capital	27	1,657,024		1,657,024	
Share premium account		3,277,560		3,277,560	
Profit and loss reserves		<u>22,717,038</u>		<u>22,396,585</u>	
Total equity			<u>27,651,622</u>		<u>27,331,169</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £320,453 (2020 - £370,845 loss).

The financial statements were approved by the board of directors and authorised for issue on 27 September 2021 and are signed on its behalf by:

Mr M A Fowler FCCA
Director

Company Registration No. 05216515

J.H. LEEKE AND SONS LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Share capital	Share premium account	Revaluation reserve	Other reserves	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	£	£	£	£	£	£	£	£
Balance at 1 April 2019	1,657,024	3,277,560	16,205,458	1,162,296	46,679,035	68,981,373	-	68,981,373
Year ended 31 March 2020:								
Profit for the year	-	-	-	-	648,349	648,349	(30,706)	617,643
Other comprehensive income:								
Actuarial gains on defined benefit plans	-	-	-	-	(138,000)	(138,000)	-	(138,000)
Tax relating to other comprehensive income	-	-	-	-	26,220	26,220	-	26,220
Total comprehensive income for the year	-	-	-	-	536,569	536,569	(30,706)	505,863
Transfers re investment property revaluation	-	-	(550,000)	-	550,000	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	117,681	117,681
Balance at 31 March 2020	1,657,024	3,277,560	15,655,458	1,162,296	47,765,604	69,517,942	86,975	69,604,917
Year ended 31 March 2021:								
Profit for the year	-	-	-	-	5,077,012	5,077,012	26,029	5,103,041
Other comprehensive income:								
Actuarial gains on defined benefit plans	-	-	-	-	92,000	92,000	-	92,000
Tax relating to other comprehensive income	-	-	-	-	(17,480)	(17,480)	-	(17,480)
Total comprehensive income for the year	-	-	-	-	5,151,532	5,151,532	26,029	5,177,561
Acquisition of non-controlling interests	-	-	-	-	(16,996)	(16,996)	(113,004)	(130,000)
Balance at 31 March 2021	1,657,024	3,277,560	15,655,458	1,162,296	52,900,140	74,652,478	-	74,652,478

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The revaluation reserve represents the cumulative effect of revaluations of freehold and leasehold land and buildings and investment property.

Other reserves represents a merger reserve which arose following the group reconstruction in 2005.

J.H. LEEKE AND SONS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 April 2019	1,657,024	3,277,560	22,767,430	27,702,014
Year ended 31 March 2020:				
Loss and total comprehensive income for the year	-	-	(370,845)	(370,845)
Balance at 31 March 2020	1,657,024	3,277,560	22,396,585	27,331,169
Year ended 31 March 2021:				
Profit and total comprehensive income for the year	-	-	320,453	320,453
Balance at 31 March 2021	1,657,024	3,277,560	22,717,038	27,651,622

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

J.H. LEEKE AND SONS LIMITED

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	33	4,446,944		3,395,307	
Interest paid		(519,599)		(742,918)	
Income taxes paid		-		(37,439)	
Net cash inflow from operating activities		3,927,345		2,614,950	
Investing activities					
Purchase of intangible assets		-		(2,973)	
Purchase of tangible fixed assets		(2,756,114)		(5,775,608)	
Proceeds on disposal of tangible fixed assets		8,012,088		2,772,219	
Acquisition of non-controlling interest		(130,000)		-	
Proceeds on disposal of investments		10,000		-	
Interest received		932		4,139	
Net cash generated from/(used in) investing activities		5,136,906		(3,002,223)	
Financing activities					
Net (repayment of)/proceeds from other loans		(312,040)		(389,750)	
Net (repayment of)/proceeds from bank loans		(8,300,000)		1,900,000	
Payment of finance leases obligations		(337,518)		(937,022)	
Net cash (used in)/generated from financing activities		(8,949,558)		573,228	
Net increase in cash and cash equivalents		114,693		185,955	
Cash and cash equivalents at beginning of year		1,979,644		1,793,689	
Cash and cash equivalents at end of year		2,094,337		1,979,644	
Relating to:					
Cash at bank and in hand		2,975,301		2,763,601	
Bank overdrafts included in creditors payable within one year		(880,964)		(783,957)	

J.H. LEEKE AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

J.H. Leeke and Sons Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Mwyndy Business Park, Mwyndy, Pontyclun, Mid Glamorgan, Wales, CF72 8PN.

The group consists of J.H. Leeke and Sons Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being the parent company of a group which prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

J.H. LEEKE AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of J.H. Leeke and Sons Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

1.3 Going concern

The Covid-19 pandemic and the measures implemented by the government to combat it meant the group saw periods of closure during the year for both its retail stores and the Vale Resort. However, through the implementation of operational efficiencies which have resulted in considerable cost savings, drawing on the government COVID support schemes and encouraging retail sales (both from the physical stores and the online operation) and Vale Resort revenues post lockdown, the financial position of the group remains robust.

Group revenues and profitability have rebounded strongly post year-end as follows:

	5 months to 31/08/2021	5 months to 31/08/2020	Variance
Turnover/ Delivered Sales	£29.44m	£20.60m	+43%
EBITDA	£4.32m	£2.99m	+£1.33m
Pre-tax Profit	£3.27m	£1.83m	+£1.44m

Therefore, 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. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The group meets its day-to-day working capital requirements through a composite account facility and a revolving loan provided by the group's bankers.

The group's banking facilities were renewed in February 2019 by its bankers Barclays Bank Plc and Lloyds Bank Plc on favourable terms. The group is able to take advantage of a £28 million Revolving Credit Facility ("RCF") and a £10 million Term Loan which along with the cash generated from the strong profitability being generated allows the group to continue to invest in its core operations.

The group's current bank financing deal is due for renewal in February 2022. The directors are pleased to report that the group has agreed Heads of Terms for a £35m facility comprising a £30m Revolving Credit Facility and a £5m term loan to be amortised over the three year term.

J.H. LEEKE AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.4 Turnover

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

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

Revenue from concession sales is shown on a net basis, being the commission received or receivable rather than the gross value of the sale.

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

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of an incorporated business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which the board considers to be 100 years for goodwill arising from the acquisition of Park Furnishers (Bristol) Limited and 10 years for goodwill arising from the acquisition of Bottlers & Distillers (Wales) Limited. Refer to note 2 for further detail.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Trade marks	Straight line basis over 10 years
-------------	-----------------------------------

1.7 Tangible fixed assets

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

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

Freehold land and buildings	Not depreciated
Investment property	Not depreciated
Plant, machinery and equipment	8% or 15% reducing balance or 10% to 20% straight line
Fixtures, fittings and motor vehicles	8% to 20% reducing balance or 8.3% to 33% straight line

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Freehold land and buildings are not depreciated as, in the opinion of the directors, the residual values of the properties are not lower than their value at the date of acquisition. An annual impairment review is carried out by the directors in respect of these buildings.

Revaluations of freehold and leasehold land and buildings are undertaken with sufficient regularity to ensure that the carrying value does not materially differ from that which would be determined using fair value at the end of the reporting period. The surplus or deficit on book value is transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

The investment property is revalued annually. Any surplus or deficit is transferred to the revaluation reserve, unless the deficit is in excess of any previously recognised surplus. Depreciation is not provided in respect of the investment property.

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

1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as a tangible fixed asset.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

(Continued)

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

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

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

1.11 Stocks

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

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

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

1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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 group 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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.13 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1.14 Employee benefits

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

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

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

1.15 Retirement benefits

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

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

J.H. LEEKE AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.17 Government grants

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Going concern

The application of the going concern basis is discussed in 1.3 above. In order to assess whether it is appropriate for the group to be reported as a going concern, the directors apply judgement, having undertaken appropriate enquiries and having considered the business activities and the group's principal risks and uncertainties as set in the strategic report. In arriving at this judgement there are a large number of assumptions and estimates involved in calculating these future cash flow projections. This includes management's expectations of revenue, EBITDA, timing and quantum of future capital expenditure and estimates and cost of future funding.

Revenue recognition

The group had revenue of £50,456,899 (2020: £75,837,360) for the year ended 31 March 2021. Revenue from concession sales is shown on a net basis, being the commission received rather than the gross value achieved on the sale. The gross transaction value, which presents revenue on a gross basis before adjusting for concessions, during the year and a reconciliation to the group's reported turnover is presented in note 3.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Carrying value of tangible fixed assets and frequency of valuation

A key area of estimation uncertainty relates to the carrying value of the group's tangible fixed assets. As at 31 March 2021 the group had tangible fixed assets including investment property of £86,405,929 (2020: £89,833,768). The land and buildings held by the group were revalued at 31 March 2014 by DTZ Chartered Surveyors, independent valuers not connected with the company, on an existing use value basis. The directors re-considered the value at 31 March 2016 applying the same principles; overall the carrying value was reduced by £156,672. The directors undertook further reviews at 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020 and 31 March 2021 and concluded that there was no significant movement in carrying value of freehold and leasehold land and buildings. The investment properties were revalued at 31 March 2019 by Fisher German LLP and Cushman & Wakefield, independent valuers not connected with the group, on a fair value basis. Overall the carrying value of the group's tangible fixed assets including investment property exceed depreciated historical cost by £15,655,458.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

2 Judgements and key sources of estimation uncertainty

(Continued)

Impairment of goodwill

As at 31 March 2020 the group had goodwill of £2,104,703 (2020: £2,895,142). An exceptional impairment charge of £758,980 has been recognised in the year, refer to note 9.

Purchased goodwill represents the excess of the fair value of consideration paid over the fair value of the identifiable assets and liabilities acquired net of accumulated amortisation. The goodwill relates to the acquisition of Park Furnishers (Bristol) Limited and Bottlers & Distillers (Wales) Limited. The goodwill is being amortised over the estimated useful economic life which the board considers to be 100 years for goodwill arising from the acquisition of Park Furnishers (Bristol) Limited and 10 years for goodwill arising from the acquisition of Bottlers & Distillers (Wales) Limited.

FRS 102 does not permit goodwill to be assigned an indefinite life. The board has concluded that whilst the life of the goodwill is not indefinite, the durability of the business acquired is such that the life is expected to be long lasting and the value of the acquired goodwill is not expected to diminish significantly.

The durability of the business acquired, Park Furnishers (Bristol) Limited, is characterised by factors such as the stability of the sector, low technology, long lifespan of store and the product offering, high sustainable demand and high barriers to entry. The nature of the acquired business and the market in which it operates means that the goodwill should have a long economic life providing that the business continues to be run as effectively. As a result, there is no individual aspect of the acquisition that will diminish over time. Therefore, the board selected 100 years as being a reasonable period over which to amortise the goodwill since an indefinite life is not permitted and arbitrarily amortising goodwill over a shorter period would not reflect the economics of the business.

Bottlers & Distillers (Wales) Limited was acquired as a relatively new business and therefore the board consider 10 years to be a more appropriate period over which to amortise the goodwill.

The value of the business and goodwill is assessed for impairment against carrying values on an annual basis in accordance with FRS102 "Impairment of fixed assets and goodwill". Any impairment is charged to the profit and loss account in the period in which it arises.

During the current year the store in Bedminster was closed and the Park Furnishers business was relocated to a new site in Bristol. The board re-evaluated the goodwill and recognised an impairment of £758,980 (refer to note 9); whilst trading at the new site has been better than expected the board recognises that location and the long lifespan of the old store was undoubtedly an element of the original goodwill.

The determination of the useful economic life is clearly a significant judgment; a significantly shorter life would result in significantly greater amortisation charge in the profit and loss account.

The assessment for impairment involves estimating the recoverable amount, which involves estimation of the future cash flows of the cash generating Unit (CGU) and also the selection of an appropriate discount rate in order to calculate the net present value of those cash flows. This clearly required significant judgement and estimation uncertainty.

J.H. LEEKE AND SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****3 Turnover and other revenue**

An analysis of the group's turnover is as follows:

	2021 £	2020 £
Turnover		
Department stores	41,881,448	61,177,284
Hotel, leisure and golf resort	5,136,456	14,137,924
Property development	117,031	121,049
Spirits distillery	3,321,964	401,103
	<u>50,456,899</u>	<u>75,837,360</u>
Other significant revenue		
Grants received (excluding furlough grant claim income)	1,017,278	19,278
Furlough grant claim income received	<u>6,601,287</u>	<u>279,766</u>

Turnover analysed by geographical market

	2021 £	2020 £
United Kingdom	<u>50,456,899</u>	<u>75,837,360</u>

Revenue from concession sales in the retail business is shown on a net basis, being the commission received rather than the gross value achieved on the sale. The gross transaction value, which presents revenue on a gross basis before adjusting for concessions, during the year and a reconciliation to the group's reported turnover for department stores is as follows:

	2021 £	2020 £
Gross transaction value	44,342,894	65,920,203
Concessions	<u>(2,461,446)</u>	<u>(4,742,919)</u>
Net department store revenue as above	<u>41,881,448</u>	<u>61,177,284</u>

J.H. LEEKE AND SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****4 Other operating income**

	2021	2020
	£	£
Rental income	110,894	515,051
Sundry commission	202,285	104,662
Other commission	284,530	501,895
Sundry income	7,255	11,510
Grants received (excluding furlough grant claim income)	1,017,278	19,278
Furlough grant claim	6,601,287	279,766
	<u>8,209,019</u>	<u>1,432,162</u>

5 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants (excluding furlough grant claim income)	(1,017,278)	(19,278)
Furlough grant claim income received	(6,601,287)	(279,766)
Depreciation of owned tangible fixed assets	2,053,247	2,108,906
Depreciation of tangible fixed assets held under finance leases	113,115	156,138
Loss on disposal of tangible fixed assets (excluding exceptional items)	2,280	17,937
Amortisation of intangible assets	31,772	30,290
Cost of stocks recognised as an expense	29,003,014	41,063,930
Operating lease charges	350,996	350,492
Exceptional items within operating profit (see note 9)	(2,549,044)	85,309
	<u></u>	<u></u>

6 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	1,100	975
Audit of the financial statements of the company's subsidiaries	30,600	29,563
	<u>31,700</u>	<u>30,538</u>
For other services		
Other taxation services	9,615	20,819
	<u></u>	<u></u>

J.H. LEEKE AND SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****7 Employees**

The average monthly number of persons (including directors and part time staff) employed by the group during the year under contracts of employment (whether full time or part time) was:

	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
Administrative	260	297	-	-
Directors	7	12	-	-
Sales	372	434	-	-
Warehouse	117	135	-	-
Spa	18	29	-	-
Events and catering	101	158	-	-
Ground staff	28	31	-	-
	<u>903</u>	<u>1,096</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Wages and salaries	16,051,841	19,138,343	-	-
Social security costs	1,223,359	1,525,857	-	-
Pension costs	663,111	473,292	-	-
	<u>17,938,311</u>	<u>21,137,492</u>	<u>-</u>	<u>-</u>

Wages and salaries include £560,262 (2020: £nil) of exceptional redundancy costs, refer to note 9.

8 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	1,064,923	818,081
Company pension contributions to defined contribution schemes	251,488	69,814
	<u>1,316,411</u>	<u>887,895</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021	2020
	£	£
Remuneration for qualifying services	177,261	141,465
Company pension contributions to defined contribution schemes	74,372	12,196
	<u>251,633</u>	<u>153,661</u>

J.H. LEEKE AND SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****8 Directors' remuneration (Continued)**

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2020: 5).

9 Exceptional costs/(income)	2021	2020
	£	£
Repair work	-	85,309
Redundancy costs	560,262	-
Exceptional (profit) / loss on disposal	(3,958,286)	-
Impairment of goodwill	758,980	-
Defined benefit pension scheme past service costs	30,000	-
Settlement paid to former directors of subsidiary	60,000	-
	<u> </u>	<u> </u>
Total exceptional items within operating profit	(2,549,044)	85,309
Fair value movement on interest rate swap	(322,636)	368,609
	<u> </u>	<u> </u>
Total exceptional items within profit and loss account	<u>(2,871,680)</u>	<u>453,918</u>

During the prior year the group incurred exceptional costs relating to one off building repair work.

During the year the group made redundancies with total costs of £560,262.

In April 2020 the group sold its Park Furnishers store in Bedminster, Bristol in order to relocate to another site within Bristol. This sale generated an exceptional profit on disposal of £3,958,286.

The group's balance sheet includes goodwill related to the purchase of subsidiary company Park Furnishers (Bristol) Limited in year ended 31 March 2017. As a result of the relocation of the Park Furnishers store during the year, the board considered it prudent to write down the carrying value of this goodwill recognising that store location and the lifespan at the old store was undoubtedly an element of the original goodwill. An exceptional impairment charge of £758,980 has been recognised in the year. The board is satisfied that the results from the new store support the remaining goodwill.

Amounts recognised in the profit and loss account in the current year in respect of the defined benefit pension scheme include £30,000 of past service costs.

On 30 March 2021 the group purchased the remaining 25% of shares in subsidiary company Bottlers & Distillers (Wales) Limited from its former directors, increasing its shareholding to 100%. As part of the agreement to leave, £60,000 was paid to the former directors of Bottlers & Distillers (Wales) Limited.

During the prior year the group entered into an interest rate swap. This has generated an exceptional gain on fair value movement of £322,636 (2020: loss of £368,609).

10 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Other interest income	932	4,139
	<u> </u>	<u> </u>

J.H. LEEKE AND SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****11 Interest payable and similar expenses**

	2021	2020
	£	£
Interest on bank overdrafts and loans	459,913	653,982
Interest on other loans	44,460	59,740
Interest on finance leases and hire purchase contracts	15,226	19,196
Unwinding of discount on pension obligation	12,000	10,000
	<u>531,599</u>	<u>742,918</u>

12 Other gains and losses

	2021	2020
	£	£
Fair value gains/(losses) on financial instruments		
Gain/(loss) on fair value of interest rate swap	322,636	(368,609)
	<u>322,636</u>	<u>(368,609)</u>

13 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	(50,843)	-
Adjustments in respect of prior periods	-	(15,864)
	<u>(50,843)</u>	<u>(15,864)</u>
Deferred tax		
Origination and reversal of timing differences	552,396	(32,272)
	<u>552,396</u>	<u>(32,272)</u>
Total tax charge/(credit)	<u>501,553</u>	<u>(48,136)</u>

J.H. LEEKE AND SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****13 Taxation****(Continued)**

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	5,604,594	569,507
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,064,873	108,206
Tax effect of expenses that are not deductible in determining taxable profit	136,063	17,803
Tax effect of income not taxable in determining taxable profit	(788,597)	-
Tax effect of utilisation of tax losses not previously recognised	(69,273)	-
Unutilised tax losses carried forward	-	(7,213)
Adjustments in respect of prior years	38,002	-
Effect of change in corporation tax rate	-	172,467
Permanent capital allowances in excess of depreciation	(4,502)	-
Depreciation on assets not qualifying for tax allowances	1,758	35,313
Other permanent differences	1,844	(3,562)
Other timing differences	121,385	(371,150)
	<u> </u>	<u> </u>
Taxation charge/(credit)	501,553	(48,136)
	<u> </u>	<u> </u>

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021	2020
	£	£
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	17,480	(26,220)
	<u> </u>	<u> </u>

The group has approximately £3.6m of tax trading losses carried forward (2020: £4.8m). However approximately £2.8m (2020: £3.2m) of these losses relates to losses incurred on the Coles acquisition in 2007 and is restricted. The remaining balance of losses totalling approximately £0.8m (2020: £1.6m) can be used against the group's future trading profits.

J.H. LEEKE AND SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****14 Impairments**

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2021 £	2020 £
In respect of:			
Goodwill	15	758,980	-
		<u>758,980</u>	<u>-</u>
Recognised in:			
Administrative expenses		758,980	-
		<u>758,980</u>	<u>-</u>

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

The group's balance sheet includes goodwill related to purchase of subsidiary company Park Furnishers (Bristol) Limited in year ended 31 March 2017. In April 2020 the company sold its Park Furnishers store in Bedminster, Bristol in order to relocate to another site within Bristol. As a result of the relocation of the Park Furnishers store during the year, the board considered it prudent to write down the carrying value of this goodwill recognising that store location and the lifespan at the old store was undoubtedly an element of the original goodwill. An exceptional impairment charge of £758,980 has been recognised in the year. The board is satisfied that the results from the new store support the remaining goodwill.

15 Intangible fixed assets

Group	Goodwill £	Trademarks £	Total £
Cost			
At 1 April 2020 and 31 March 2021	2,119,624	2,973	2,122,597
Amortisation and impairment			
At 1 April 2020	(775,518)	313	(775,205)
Amortisation charged for the year	31,459	313	31,772
Impairment losses	758,980	-	758,980
At 31 March 2021	14,921	626	15,547
Carrying amount			
At 31 March 2021	2,104,703	2,347	2,107,050
At 31 March 2020	2,895,142	2,660	2,897,802

The company had no intangible fixed assets at 31 March 2021 or 31 March 2020.

More information on impairment movements in the year is given in note 14.

J.H. LEEKE AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

16 Tangible fixed assets

Group	Land and buildings	Investment property	Plant, machinery and equipment	Fixtures, fittings and motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2020	70,097,277	2,050,000	9,786,915	29,513,952	111,448,144
Additions	1,906,198	-	268,895	711,202	2,886,295
Disposals	(3,815,924)	-	-	(490,930)	(4,306,854)
Transfers	(532,795)	-	-	403,840	(128,955)
At 31 March 2021	67,654,756	2,050,000	10,055,810	30,138,064	109,898,630
Depreciation and impairment					
At 1 April 2020	504,396	-	3,387,746	17,722,234	21,614,376
Depreciation charged in the year	10,526	-	502,483	1,653,353	2,166,362
Eliminated in respect of disposals	-	-	-	(250,772)	(250,772)
Transfers	-	-	-	(37,265)	(37,265)
At 31 March 2021	514,922	-	3,890,229	19,087,550	23,492,701
Carrying amount					
At 31 March 2021	67,139,834	2,050,000	6,165,581	11,050,514	86,405,929
At 31 March 2020	69,592,881	2,050,000	6,399,169	11,791,718	89,833,768

The company had no tangible fixed assets at 31 March 2021 or 31 March 2020.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Plant, machinery and equipment	108,640	121,506	-	-
Fixtures, fittings and motor vehicles	497,178	454,171	-	-
	605,818	575,677	-	-

J.H. LEEKE AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

16 Tangible fixed assets

(Continued)

The land and buildings held by the group were revalued at 31 March 2014 by DTZ Chartered Surveyors, independent valuers not connected with the company, on an existing use value basis. The directors re-considered the value at 31 March 2016 applying the same principles; overall the carrying value was reduced by £156,672. The directors undertook further reviews at 31 March 2017, 31 March 2018, 31 March 2019, 31 March 2020 and 31 March 2021 and concluded that there was no significant movement in carrying value of freehold and leasehold land and buildings.

The investment properties were revalued at 31 March 2019 by Fisher German LLP and Cushman & Wakefield, independent valuers not connected with the company, on a fair value basis. In 2019 a revaluation gain of £825,040 on investment property was included within the profit and loss account.

If tangible fixed assets including investment property were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2021 £	2020 £
Group		
Cost	108,690,857	110,088,061
Accumulated depreciation	(37,940,386)	(35,909,751)
Carrying value	<u>70,750,471</u>	<u>74,178,310</u>

17 Fixed asset investments

		Group 2021 £	2020 £	Company 2021 £	2020 £
	Notes				
Investments in subsidiaries	18	-	-	23,660,202	23,660,202
Unlisted investments		2,341	12,341	-	-
		<u>2,341</u>	<u>12,341</u>	<u>23,660,202</u>	<u>23,660,202</u>

Movements in fixed asset investments

Group	Unlisted investments £
Cost or valuation	
At 1 April 2020	12,341
Disposals	(10,000)
At 31 March 2021	<u>2,341</u>
Carrying amount	
At 31 March 2021	<u>2,341</u>
At 31 March 2020	<u>12,341</u>

J.H. LEEKE AND SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****17 Fixed asset investments (Continued)****Movements in fixed asset investments
Company****Shares in group
undertakings****£****Cost or valuation**

At 1 April 2020 and 31 March 2021

23,660,202

Carrying amount

At 31 March 2021

23,660,202

At 31 March 2020

23,660,202

18 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Nature of business	Class of shares held	% Held	
			Direct	Indirect
Leekes Group Property Developments Limited	Property development	Ordinary	100.00	0
Leekes Limited	Department stores	Ordinary	100.00	0
Park Furnishers (Bristol) Limited	Dormant	Ordinary	0	100.00
Vale of Glamorgan Hotel Limited	Hotel, leisure and golf resort	Ordinary	100.00	0
Bottlers & Distillers (Wales) Limited	Spirits distillery	Ordinary	0	100.00

On 30 March 2021, the group increased its shareholding in Bottlers & Distillers (Wales) Limited from 75% to 100%. Bottlers & Distillers (Wales) Limited is an indirect subsidiary of J.H. Leeke and Sons Limited, being a 100% subsidiary of Vale of Glamorgan Hotel Limited.

Park Furnishers (Bristol) Limited is an indirect subsidiary of J.H. Leeke and Sons Limited, being a 100% subsidiary of Leekes Limited.

The registered office of all of the above subsidiaries is Mwyndy Business Park, Mwyndy, Pontyclun, Mid Glamorgan, Wales CF72 8PN.

J.H. LEEKE AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

19 Financial instruments

	Group	2020	Company	2020
	2021		2021	
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	4,842,053	4,995,335	n/a	n/a
Equity instruments measured at cost less impairment	2,341	12,341	n/a	n/a
	<u>2,341</u>	<u>12,341</u>	<u>n/a</u>	<u>n/a</u>
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
Interest rate swap	45,973	368,609	45,973	368,609
Measured at amortised cost	36,369,712	46,340,306	n/a	n/a
	<u>36,369,712</u>	<u>46,340,306</u>	<u>n/a</u>	<u>n/a</u>

20 Stocks

	Group	2020	Company	2020
	2021		2021	
	£	£	£	£
Raw materials and consumables	351,654	441,143	-	-
Development land	4,237,160	4,249,625	-	-
Finished goods and goods for resale	12,579,311	13,224,163	-	-
	<u>17,168,125</u>	<u>17,914,931</u>	<u>-</u>	<u>-</u>

21 Debtors

	Group	2020	Company	2020
	2021		2021	
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,885,289	2,722,077	-	-
Corporation tax recoverable	73,511	22,668	-	-
Other debtors	2,009,007	2,360,272	140	140
Prepayments and accrued income	879,039	1,779,069	-	-
	<u>5,846,846</u>	<u>6,884,086</u>	<u>140</u>	<u>140</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	42,187,277	49,027,136
	<u>-</u>	<u>-</u>	<u>42,187,277</u>	<u>49,027,136</u>
Total debtors	<u>5,846,846</u>	<u>6,884,086</u>	<u>42,187,417</u>	<u>49,027,276</u>

J.H. LEEKE AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

21 Debtors

(Continued)

Included within other debtors are directors' current accounts of £25,744 (2020: £1,705). These are unsecured and repayable on demand. Interest is receivable on these balances at the HMRC official rate of 2.50% per annum. Further details are provided in the related party transactions note.

The amounts due from fellow group undertakings are due for payment after more than five years; interest is charged at 3 month LIBOR + 1.4% in line with the rate at which the group borrowings are charged.

22 Creditors: amounts falling due within one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts	25	880,964	783,957	280,361	-
Obligations under finance leases	24	234,924	294,103	-	-
Pension scheme loans	25	408,845	390,000	-	-
Trade creditors		3,666,279	4,518,405	-	-
Other taxation and social security		1,044,872	2,070,016	-	-
Derivative financial instruments		45,973	368,609	45,973	368,609
Other creditors		290,150	355,394	-	-
Accruals and deferred income		6,368,621	6,699,475	65,090	66,140
		<u>12,940,628</u>	<u>15,479,959</u>	<u>391,424</u>	<u>434,749</u>

Included within other creditors are directors' current accounts of £57,745 (2020: £131,248) which are unsecured and repayable on demand. Interest has been charged at 2.04% per annum above bank base rate on the amounts due. Further details are provided in the related party transactions note.

23 Creditors: amounts falling due after more than one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts	25	23,550,000	31,850,000	23,550,000	31,850,000
Obligations under finance leases	24	243,914	392,072	-	-
Pension scheme loans	25	726,015	1,056,900	-	-
Amounts due to group undertakings		-	-	14,254,671	14,126,514
		<u>24,519,929</u>	<u>33,298,972</u>	<u>37,804,671</u>	<u>45,976,514</u>

J.H. LEEKE AND SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****24 Finance lease obligations**

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	234,924	294,103	-	-
In two to five years	243,914	392,072	-	-
	<u>478,838</u>	<u>686,175</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is three years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

25 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	23,550,000	31,850,000	23,550,000	31,850,000
Bank overdrafts	880,964	783,957	280,361	-
Pension scheme loans	1,134,860	1,446,900	-	-
	<u>25,565,824</u>	<u>34,080,857</u>	<u>23,830,361</u>	<u>31,850,000</u>
Payable within one year	1,289,809	1,173,957	280,361	-
Payable after one year	<u>24,276,015</u>	<u>32,906,900</u>	<u>23,550,000</u>	<u>31,850,000</u>

Bank loans and overdrafts are secured over the assets of the group. Pension scheme loans are secured over certain assets of the group held by Leekes Group Property Developments Limited.

The bank loans relate to revolving credit facilities and a term loan with Barclays Banks Plc and Lloyds Bank Plc. The facilities are due for repayment in February 2022. The interest rate applicable to these loans is 3 month LIBOR + 1.4% following renewal of the group's banking facilities on favourable terms in February 2019.

The pension scheme loans are repayable by instalments up to April 2025; interest is charged at 3% above the Bank of England base rate.

J.H. LEEKE AND SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****26 Deferred taxation**

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £
Group		
Accelerated capital allowances	1,887,453	1,514,209
Tax losses	(145,690)	(322,707)
Revaluations	319,183	319,183
Retirement benefit obligations	(83,589)	(103,204)
	<u>1,977,357</u>	<u>1,407,481</u>

The company has no deferred tax assets or liabilities.

	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 April 2020	1,407,481	-
Charge to profit or loss	552,396	-
Charge to other comprehensive income	17,480	-
	<u>1,977,357</u>	<u>-</u>
Liability at 31 March 2021	<u>1,977,357</u>	<u>-</u>

The deferred tax liability set out above is expected to reverse in future years and relates predominantly to accelerated capital allowances.

27 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary voting shares of £1 each	100,000	100,000	100,000	100,000
Ordinary non-voting shares of £1 each	1,557,024	1,557,024	1,557,024	1,557,024
	<u>1,657,024</u>	<u>1,657,024</u>	<u>1,657,024</u>	<u>1,657,024</u>

Apart from the ability to vote, the voting and non-voting shares rank pari passu.

J.H. LEEKE AND SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****28 Retirement benefit schemes**

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	663,111	473,292

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the year end the group had outstanding pension contributions of £41,997 (2020: £63,528), this amount being included within creditors due within one year. In addition the group had also accrued £20,000 (2020: £nil) at the year end in respect of defined benefit pension contributions for the year, this amount being included within creditors due within one year.

Defined benefit schemes

The group also operates a defined benefit pension scheme that was acquired as part of the hive-up of the trade and assets of Cole of Bilston Limited on 19 November 2009. This provides pension benefits for members based on their earnings close to retirement and whose assets are held separately from those of the company. The fund is now closed to new entrants.

The pension cost has been determined on the basis of the long-term contribution rate to the plan expressed as a level percentage of pensionable payroll which has to be paid in the future to provide the plan benefits. It is the company's intention to contribute to the plan at the long-term contribution rate disclosed in the periodic actuarial valuation.

The pension cost for the year has been assessed in accordance with the advice of a qualified actuary by reference to the most recent full actuarial valuation as at 31 March 2021.

A qualified actuary has calculated the position at 31 March 2021 for the purposes of complying with the requirements of FRS 102 for the current year.

	2021	2020
	%	%
<i>Key assumptions</i>		
Discount rate	2.0	2.3
Expected rate of increase of pensions in payment	3.30	2.9
Price inflation (RPI)	3.4	3
Price inflation (CPI)	2.4	2
	<u> </u>	<u> </u>
<i>Mortality assumptions</i>	2021	2020
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	85.5	85.8
- Females	87.7	87.7
	<u> </u>	<u> </u>
Retiring in 20 years		
- Males	87.1	87.6
- Females	89.4	89.5
	<u> </u>	<u> </u>

J.H. LEEKE AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

28 Retirement benefit schemes

(Continued)

	2021	2020
	£	£
<i>Amounts recognised in the profit and loss account</i>		
Net interest on defined benefit liability/(asset)	12,000	10,000
Other costs and income	30,000	-
	<hr/>	<hr/>
Total costs	42,000	10,000
	<hr/>	<hr/>
	2021	2020
	£	£
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(359,000)	145,000
Less: calculated interest element	36,000	41,000
	<hr/>	<hr/>
Return on scheme assets excluding interest income	(323,000)	186,000
Other gains and losses	231,000	(48,000)
	<hr/>	<hr/>

The amounts included in the balance sheet arising from obligations in respect of defined benefit plans are as follows:

	2021	2020
	£	£
Group		
Present value of defined benefit obligations	2,332,000	2,086,000
Fair value of plan assets	(1,916,800)	(1,570,800)
	<hr/>	<hr/>
Deficit in scheme	415,200	515,200
	<hr/>	<hr/>

The company had no post employment benefits at 31 March 2021 or 1 April 2020.

	Group
	2021
	£
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 April 2020	2,086,000
Past service cost	30,000
Benefits paid	(63,000)
Interest cost	48,000
Other	231,000
	<hr/>
At 31 March 2021	2,332,000
	<hr/>

The defined benefit obligations arise from plans which are wholly or partly funded.

J.H. LEEKE AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

28 Retirement benefit schemes

(Continued)

	Group 2021 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 April 2020	1,570,800
Interest income	36,000
Return on plan assets (excluding amounts included in net interest)	323,000
Benefits paid	(63,000)
Contributions by the employer	50,000
	<hr/>
At 31 March 2021	1,916,800
	<hr/> <hr/>

The actual return on plan assets was £- (2020 - £0).

Fair value of plan assets at the reporting period end

	Group 2021 £	2020 £
Equity instruments	1,360,000	1,018,000
Property	138,000	70,000
Bonds	400,000	320,000
Cash and other	18,800	162,800
	<hr/>	<hr/>
	1,916,800	1,570,800
	<hr/> <hr/>	<hr/> <hr/>

29 Operating lease commitments

Lessee

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	508,032	500,492	-	-
Between two and five years	2,612,294	1,800,435	-	-
In over five years	4,387,746	4,404,583	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	7,508,072	6,705,510	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

30 Controlling party

The ultimate controlling party is G L Leeke.

J.H. LEEKE AND SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****31 Related party transactions****Remuneration of key management personnel**

There are no key management personnel other than the directors whose remuneration is disclosed in note 8.

Transactions with related parties

The company has taken advantage of the exemption, under the terms of FRS 102, Section 33.1A, from disclosing related party transactions with wholly owned subsidiaries within the group.

At 31 March 2021, there were unsecured directors' loan accounts owed by the group to G L Leeke of £nil (2020: £54,593), to S N Leeke of £nil (2020: £54,086), to E J Leeke of £13,008 (2020: £20,148) and to S J Leeke of £6,373 (2020: £2,422), C L Leeke £25,345 (2020: £nil) and J E Littlejohn of £13,019 (2020: £nil). The amounts attract interest at 2.04% per annum above bank base rate and are repayable on demand.

S N Leeke resigned as a director during the year and although he still has a loan account with the group at 31 March 2021 this is excluded from the above disclosure of directors' loan accounts.

At 31 March 2021, the amounts owed to the group from J E Littlejohn, daughter of G L Leeke, totalled £nil (2020: £13,232).

At 31 March 2021, there were unsecured directors' loan accounts owed to the group from G L Leeke of £25,744 (2020: £nil), C Leeke of £nil (2020: £1,115) and from P Martin of £nil (2020: £590). Interest is receivable on directors' loan account balances in excess of £10,000 at the HMRC official rate of 2.50% per annum.

The maximum debit balances outstanding on directors' loan accounts during the year were £39,359 (2020: £255,107) owed from G L Leeke, £nil (2020: £nil) owed from S N Leeke, £2,249 (2020: £55,735) owed from E J Leeke, £1,615 (2020: £3,768) owed from S J Leeke, £590 (2020: £17,708) owed from P Martin, £6,989 (2020: £32,242) owed from C Leeke and £18,111 (2020: £nil) owed from J E Littlejohn.

G L Leeke, S N Leeke, S J Leeke, E J Leeke C Leeke and J E Littlejohn are trustees of J H Leeke & Sons Executive Pension Scheme. During the year, the group paid rent of £220,000 (2020: £220,000) to the pension scheme in respect of land and buildings. In addition the group has loans from the pension scheme. The amounts owed to the pension scheme at 31 March 2021 was £1,071,650 (2020: £1,446,650). Loans from the pension scheme are secured over the assets of group companies.

32 Analysis of changes in net debt - group

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	2,763,601	211,700	2,975,301
Bank overdrafts	(783,957)	(97,007)	(880,964)
	<hr/>	<hr/>	<hr/>
	1,979,644	114,693	2,094,337
Borrowings excluding overdrafts	(33,296,900)	8,612,040	(24,684,860)
Obligations under finance leases	(686,175)	207,337	(478,838)
	<hr/>	<hr/>	<hr/>
	(32,003,431)	8,934,070	(23,069,361)
	<hr/>	<hr/>	<hr/>

J.H. LEEKE AND SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****33 Cash generated from group operations**

	2021	2020
	£	£
Profit for the year after tax	5,103,041	617,643
Adjustments for:		
Taxation charged/(credited)	501,553	(48,136)
Finance costs	531,599	742,918
Investment income	(932)	(4,139)
(Gain)/loss on disposal of tangible fixed assets	(3,956,006)	17,937
Amorisation and impairment of intangible assets	790,752	30,290
Depreciation and impairment of tangible fixed assets	2,166,362	2,265,044
Other gains and losses	(322,636)	368,609
Pension scheme non-cash movement	(8,000)	(20,000)
Decrease in provisions	(12,000)	-
Movements in working capital:		
Decrease/(increase) in stocks	838,496	(88,742)
Decrease/(increase) in debtors	1,088,083	(530,955)
(Decrease)/increase in creditors	(2,273,368)	44,838
Cash generated from operations	4,446,944	3,395,307

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