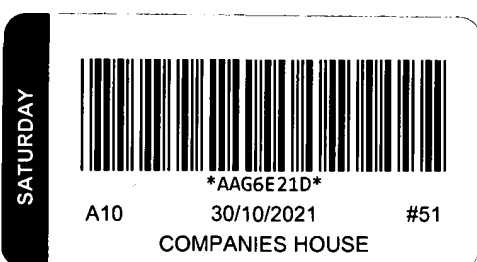


Amber Taverns Limited

Strategic report, Directors report and
financial statements

Company registered number 05335601
52-week period ended 31 January 2021



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Company information

Directors	J E Baer J L Jones S P Frankland M D George M J Goddard G E Roberts
Company Secretary	J L Jones
Registered number	05335601
Registered office	The Victory Offices 112 Victory Road Blackpool FY1 3NW
Independent Auditor	RSM UK Audit LLP Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE
Bankers	HSBC Bank Plc Level 6 Metropolitan House, CBX3, 321 Avebury Boulevard, Milton Keynes, MK9 2GA
Solicitors	Proskauer Rose UK LLP 110 Bishopsgate London EC2N 4AY

Strategic Report

Principal activity and review of business

The principal activity of the Company during the period was that of public house management.

The Directors report sales of £29,990,081 (2020: £86,280,085), sales were down 65% year on year due to the severity of the impact of the Covid-19 pandemic on the operations of the business and the wider hospitality sector.

Operating Loss was £7,936,103 (2020 Profit: £13,020,934), again due to the severity of the impact of the Covid-19 pandemic. The company benefitted from the receipt of grants during the year of £2,108,675 and the impact on ebitda was further reduced due to agreements reached with key suppliers to suspend services in line with the mandated closure of the business during March to June and from November until the year end and beyond.

During the year, the company was required under the terms of its finance facilities to carry out a valuation of its portfolio. This took place during September 2020 and further details on this are disclosed in note 1, *Valuation of Properties* page 20. There were some movements on individual sites, and these are reflected in the impairment charge. Following an impairment review it was agreed that a net revaluation uplift of £3,538,542 was required at the period end (2020 impairment: £728,975) of which a £4,091,758 impairment was taken to the Profit and Loss account and a net uplift of £7,630,300 was taken to the revaluation reserve. The Directors believe the estate carrying value to be appropriate however note the uncertainty reported by the external valuers which is explained further in note 1.

The company saw a decrease in net assets during the year £94,014,866 (2020: £95,827,370). Due to the impact of the Covid-19 pandemic

Principal risks and uncertainties

Economic environment risk

The closure of the estate extended past the year end and in line with the HM Government roadmap the estate re-opened under restrictions on 17th May 2021. Despite customers being required to wear masks when moving around, table service only and rule of 6 or 2 households, sales were above expectations given we operated on reduced capacity. In June the scheduled further relaxation was delayed to 19th July 2021, this affected our expectation of a bumper Euro 2020 tournament as customers were still required to observe social distancing measures and local authorities policed this period with vigour. Despite the restrictions customers did turn out for all the home nations games and England reaching the final did provide a much needed feel good factor. From 19th July 2021 all the restrictions previously mandated became optional. From this point we have gradually reduced social distancing restrictions previously mandated on a site-by-site basis to ensure older, more vulnerable customers continue to feel safe, but the friendly welcome customers expect from their visit to the pub could re-commence.

Entertainment was discouraged initially due to social distance restrictions making enforcement difficult to manage, since mid-July 2021 we have re-introduced entertainment sessions, and these are being well received.

With the increase in staycations many pubs have bounced back to 2019 sales levels well, particularly those with large outside drinking space who have also taken advantage of some good weather. Some larger town centres are not seeing the large increase in footfall observed in more local community style pubs, we are confident this will return but may just take longer as confidence and business re-builds to a new normal. Towns with large student populations should see an uplift this year as the students are able to attend fresher events for the first time in two years.

Generally, the bounce back of sales has been encouraging since July 2021 although not yet at pre-Covid levels there has been positive feedback from customers and operators. The furlough scheme and lack of holiday travel in the last 18 months for many, has allowed people to enjoy their leisure pounds and we have seen a move to more premium products. Once the furlough scheme closes and the expected increase of job losses crystallises this could have a negative impact on hospitality and leisure spend.

Following Brexit there was a migration of European workers back to their home countries, this has no doubt left a hole in many labour markets. The immediate impact that this had on the hospitality sector was mitigated mostly by the Amber estate being mostly community and smaller town and city focussed. Where this is posing more of a challenge is in the construction sector and whilst not a major issue at present as our acquisition program gathers momentum this could be a risk in the timeline to deliver a refurbished pub ready for trading. With shortage of supply also comes the increased demand and associated cost increases. Finally, the reduced number of heavy goods drivers and the movement towards other driving or career options for these UK-based drivers, following the lockdowns, is also causing supply issues. Good supplier relations and close monitoring of supplies and deliveries should help weather this short-term issue. In the on-trade the knock on of barrel shortages due to a limited delivery schedule has also presented a short-term problem for brewers.

The extension of the rent moratorium to March 2022 has led to a smaller number of prospective sites coming to market than was initially anticipated. In the short term this does not have a negative impact as the business focuses on re-building the core estate back to pre-Covid levels and refurbishing the sites contractually agreed pre-Covid. A further risk is the competition also looking at new sites. The directors believe that the all freehold nature of the estate, allied to our suburban locations and proven operating model means the business is well positioned to face the coming months even if further restrictions are imposed. There is considerable investor interest in the wet led / community sector (as demonstrated by the recent acquisition of Hawthorn by Admiral) and while this may create some additional competition in due course, it also underpins the value of the Amber business.

Regulatory risk

The Covid-19 pandemic has brought in unprecedented interventions from government; never has the hospitality sector been so hugely impacted by regulation. From the mandatory closure in March 2020 to the re-opening requirements of social distancing at 2m, then 1m plus mitigation; the guidance and rules were revised and changed on numerous occasions. The devolved nations each took a different approach to regulation, the messaging from all governments throughout the United Kingdom has been mixed, conflicting and confusing.

With the help of UK Hospitality, we navigated our way through these changes and communicated with each pub relevant changes in its locality, using social media to assist in educating our customers. The average number of weeks a pub traded during the year ending 31st January 2021 was 22 out of 52, with only 6 of these weeks free from any impact from Covid-19.

During October 2020 trade was severely hindered by local lockdowns and curfews but from November 2020 to 17th May 2021 we were essentially closed except for a small number of sites, mainly in Wales, which were able to trade for a short period in December. With the arrival of the vaccine and its rapid rollout we were hopeful that restrictions would gradually be eased as we looked forward to the 21st June 2021 government roadmap update. As referred to in the economic risks this was delayed to July 2021. Dependent on future new variants and their impact on NHS resources, we are cautiously optimistic based on the efficacy of the vaccines, the rollout to younger age groups and the recent increase in cases not directly impacting NHS resources that the much talked about booster vaccine in the autumn, will be sufficient to prevent a return to full national lockdowns.

Legislation remains in place to permit local authorities to exercise the option for local measures should there be a public health crisis to include a local lockdown. Whilst Amber Taverns Limited largely operates in England there are currently 12 sites in the devolved nations and whilst their response has been at times slower and more draconian, this has a limited impact on the business, the larger risk comes from UK government imposed national restrictions.

Financial risk management objectives and policies

During the pandemic the companies cash reserves were impacted considerably but we were able to operate with a good cash buffer throughout the closure period due to the injection of £3m from existing shareholders in November 2020, deferral of £2.9m in senior loan repayments and £2m of second lien interest and a further equity injection from the existing shareholders between April 2021 and July 2021 totalling £5m.

Kildale Bidco Limited holds the debt facilities for the group and alongside all the group companies maintained an active dialogue with all lenders keeping them involved in the decision-making process throughout. The company was praised by all financial stakeholders for its pro-active approach to managing the ever-changing environment and reacting speedily and calmly to all challenges. Identifying specific resources within the workforce to ensure that grants were applied for timely and in accordance with the changing rules surrounding state aid.

The unwinding of trade creditors used c£4.5m of cash reserves in April 2020, a further £3m unwind occurred as we were effectively locked down in November 2020. 80% of the company's workforce were put on furlough for the duration of the first lockdown period April to June, in the further lockdowns we were able to flexibly furlough all staff ensuring minimal cost but keeping essential services up and running. The pub operating companies were paid a weekly custodian fee to maintain the pubs in good order and protect the assets during the lockdown periods. Many rose to the challenge finding innovative ways to fill their time and enhance the pub facilities ready for re-opening. The operators are at the heart of each pub and are key to a successful return to full trading.

Due to the nature of the national lockdowns many key cost lines were suspended by our suppliers. Non-domestic rates in the hospitality sector were cancelled for the year ending 31 March 2021, at the March 2021 budget this was extended in England to 30th June 2021 thereafter we are to be billed 34% of the full rates bill for the remainder of the year (Scotland and Wales have extended the cancellation until March 2022). Grants have been made available at various points relative to the rateable value on the premises. With the exit from the EU on 31/12/20 constraints from the state aid regime have fallen away and been replaced with the UK-EU Trade and Cooperation Agreement ("TCA"). From lockdown 1.0 on 20th March 2020 to re-opening after lockdown 3.0 on 17th May 2021 the company has benefitted from grants totalling £6.3m. The full cash cost of the closure period excluding committed capital expenditure, interest and re-opening costs was £13.6m.

Future developments

Prior to the lockdown the company had exchanged on four new sites, these sites were contractually required to complete. The refurbishment and opening of these sites has now commenced and we are actively looking at the property markets for new prospects so we are ready to proceed when the appropriate sites are available on the market. Generally, the property market for freehold sites has been very quiet.

Financial key performance indicators

	31 January 2021	2 February 2020
	£'000	£'000
Turnover	29,990	86,280
Company EBITDA (1)	2,075	18,961
Unit EBITDA (2)	5,139	23,487
Operating (Loss) / Profit	(7,936)	13,021
	2021	2020
	No	No
Owned public houses at Year End	158	156

(1) Company earnings before interest, tax, depreciation and amortisation (EBITDA) is calculated based on the operating profit plus depreciation, amortisation charge and monitoring fees as per management information.

(2) Unit EBITDA is calculated based on Company EBITDA plus central overhead costs

The Group spent £2.2m on new capital projects during the year. A site in Hartlepool opened at the start of this financial year and a second site in Rochdale was completed but due to local restrictions could only open briefly for 12 weeks from August 2020, a third site in Brownhills was moth-balled following completion in December 2019 due to the outbreak of Covid-19. At the end of 2020/21 the Company owned 158 units having completed on sites in Brierley Hill and Kilmarnock which were also mothballed and was legally bound to complete on a further site in Kirkcaldy subject to planning and licensing approval. No sites were disposed of.

Following the year end Kirkcaldy and a new site in Bridlington have completed. Brierley Hill is due to open early October 2021 and Bridlington opened on 1st September 2021. The Scottish sites are currently undergoing refurbishment, the estate currently consists of 160 sites.

In October 2017 the Group re-financed with its incumbent bankers HSBC and secured a revolving credit facility to facilitate its expansion program under its new ownership, and to accelerate its acquisition program. These facilities were initially a 4-year term with two built in extension opportunities in October 2018 and October 2019. Both were executed and the company's facilities now expire in October 2023.

As required in the finance documents the company was required to have a formal revaluation of its estate by the end of October 2020. Savills were appointed by HSBC to undertake the review of the estate which based on the valuation when the facility was extended totalled £146,265,000, this compares very well to the new portfolio valuation of £145,395,000 considering the unprecedented times we are in. Savills commented favourably on the quality and condition of the estate and that the work undertaken to be Covid compliant was market leading.

The Directors take confidence that the Company's well proven formula of a value offer in a modern community pub environment will return to delivering solid trading results once the pandemic has fully lifted, and it is able to fully resume its quality service to its customers, providing a safe and welcoming environment in what will no doubt be a challenging economic environment for the consumer.

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As a Board, we are committed to long term sustainable growth, taking into account all stakeholders, and we underpin this with a collegiate approach and high standards of corporate governance.

Our Customers

Our business model is predicated on providing consistent value and quality, and our customers have regular contact with the operators of our pubs, thus ensuring regular feedback. We believe we are at the heart of the local communities we operate in.

Our Colleagues

Our small team and flat structure ensure regular and open dialogue between all colleagues, both formally and informally, in addition there are regular briefings, face to face meetings and a weekly newsletter, FYI.

Our suppliers

Our long-term relationships with our key suppliers demonstrate the success of our collaborative and transparent approach. There is regular communication, payment terms are respected, and any issues dealt with promptly in a proportionate and reasonable manner.

Our Shareholders

Key shareholders attend monthly Board Meetings and shareholders are communicated with via a formal report on a twice-yearly basis.

Our Communities and Society

We see each of our pubs as a local community asset and work closely with all stakeholders to ensure we create a valued and responsible business. Many of our operating protocols are held up as exemplars by statutory authorities.

By order of the board



J L Jones
Director

14th October 2021

Directors' Report

The Directors present their report and the financial statements for the 52-week period ended 31 January 2021.

Results and Dividends

The Loss for the period, after taxation, amounted to £7,358,697 (2019: Profit £11,348,409).

No dividends have been paid in the period.

Directors

The Directors who served during the period were:

J E Baer
J L Jones
S P Frankland
M D George
M J Goddard
G E Roberts

Qualifying third party indemnity provisions

The Directors benefited from qualifying indemnity insurance policies in place during the financial period.

Going concern

The company reported a Loss after tax of £7,358,697 for the 52-week period ended 31 January 2021 and as at 31 January 2021 has net assets of £94,014,866 and net current liabilities of £41,033,828. Subsequent to the year end the COVID-19 pandemic continued to have a significant effect on the company's operations including the enforced closure of pubs nationally until 12th April when only a small number of pubs were able to trade outdoors; the full estate was not re-opened until 17th May 2021 when indoor drinking could resume across all the nations of the UK.

The company is the trading subsidiary of Kildale Topco Limited and is financed by facilities provided by other Group companies. The directors carried out a thorough review of the Group's activities and have projected the Group's performance forward on a variety of scenarios. These scenarios take into account the effect of government policy, the uncertain nature of the COVID-19 pandemic, the nature of facilities present and financial support available to the business, together with the performance of the business following the year end and the experience since the re-opening of the estate from May 2021. Kildale Topco Limited have offered continued financial support for the company for the 12 months following the date of approval of these accounts.

Due to the impact of the pandemic and the initial closure of the business for 15 weeks, the Group approached its lenders HSBC who provide the senior and revolving capex facilities and Ares who provide second lien and PIK facilities in order to revise the covenant tests to avert any breach of the facilities. Covenants are presently based on EBITDA for the previous 12 months and measured quarterly are interest cover, leverage and debt servicing.

Detailed modelling to demonstrate the impact on covenants from temporary closure were produced, given the reduced trading capacity and cash management for the 15-week closure period to July 2020. As a result, certain covenants were amended from April 2020, alongside the deferral of two quarters amortisation on the senior debt of £1m in total, payment of 50% of the second lien interest and capitalisation of the £456k balance onto the existing loan facility. These amended covenant tests were comfortably met.

A further reset was replicated in October 2020. However, with the ongoing uncertainty within the sector and indeed wider economy the lenders indicated their continued support, but they wanted to revisit the future quarters in February 2021 when there should be more clarity over the required amendments. At the balance sheet date, the bank had not agreed a waiver or amendment of these covenants from April 2021. In April 2021, a further reset was agreed with both lenders which permitted a further deferral of HSBC loan repayments in April and 50% in July. The covenant tests through to 30th January 2022 have been waived and replaced with a simple liquidity and ebitda test, thereafter they are on an adjusted test basis to mitigate the impact of the prolonged closure periods due to the nature of most tests looking back on the preceding 12 months. The standard covenant calculations will be reinstated from April 2022 but at amended levels until the legacy of the pandemic has been lapped.

Further support to the business was made available via an equity injection of £3m from the existing shareholders in November 2020 and a further £3.5m has been injected in April 2021 with a further £1.5m received by the end of July 2021.

Management have prepared various forecasts taking into account sensitivities and recent trading performance. Based on management's forecasts, support exhibited by lenders and the ultimate parent company and equity injections provided by shareholders, the directors consider the Company will be able to meet its liabilities as they fall due for the foreseeable future, and therefore continue to adopt the going concern assumption in preparing the financial statements.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

Modern Slavery Act 2015

In accordance with the requirements of the Modern Slavery Act, the board has reviewed and approved its compliance statement, this can be viewed on the company website www.ambertaverns.co.uk

Strategic Report

The information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and reports) regulations 2008 has been included in the separate Strategic Report in accordance with Section 414C (11) of the Companies Act 2006 (strategic Report and Directors' Report) Regulations 2013).

By order of the Board



J L Jones

Director

Amber Taverns Limited
The Victory Office
112 Victory Road
Blackpool
Lancashire
FY1 3NW

14th October 2021

Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report and the Directors' 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 company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBER TAVERNS LIMITED

Opinion

We have audited the financial statements of Amber Taverns Limited (the 'company') for the year ended 31 January 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 company's affairs as at 31 January 2021 and of the company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Emphasis of matter – Valuation of properties

We draw attention to the disclosures made in note 1 to the financial statements concerning the valuation of public houses in the statement of financial position. As indicated in the notes, in preparing the valuations reflected in the financial statements, the independent valuers drew attention to the impact of the Covid-19 pandemic through the inclusion of the RICS Material Valuation Uncertainty clause. Our opinion is not modified in respect of this matter.

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 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 the 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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health & safety and licensing regulations. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations including a review of board minutes and requested sight of any other relevant correspondence in order to draw a conclusion.

The audit engagement team identified the risk of management override of controls, grant income, valuation of public houses and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries, challenging judgements and estimates applied, including the valuation of the public houses held within fixed assets with reference to the reports of external valuers, and obtaining an understanding of the nature and quantum of grant income receivable in the period, testing a sample of entries included in the associated claims.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.



Jonathan Lowe (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP,
Statutory Auditor
Chartered Accountants
Bluebell House, Brian Johnson Way

Preston PR2 5PE

15 October 2021

Profit and Loss Account
for the 52-week period ended 31 January 2021

	<i>Note</i>	2021 £	2020 £
Turnover	2	29,990,081	86,280,085
Cost of sales		(11,463,409)	(31,672,185)
		<hr/>	<hr/>
Gross profit		18,526,672	54,607,900
Administrative expenses	4	(28,622,639)	(41,648,897)
Other operating income	3	2,159,864	61,931
		<hr/>	<hr/>
Operating (loss)/profit		(7,936,103)	13,020,934
Interest receivable and similar income	7	87	897
Interest payable and similar charges	8	-	(1,691)
		<hr/>	<hr/>
(Loss)/Profit before taxation		(7,936,016)	13,020,140
Taxation on profit for the period	9	577,319	(1,671,731)
		<hr/>	<hr/>
(Loss)/Profit for the period		(7,358,697)	11,348,409
		<hr/>	<hr/>

All amounts relate to continuing activities.

The notes on pages 16 to 28 form an integral part of these financial statements.

Other Comprehensive Income
for the 52-week period ended 31 January 2021

	2021 £	2020 £
(Loss)/Profit for the period	(7,358,697)	11,348,409
Other comprehensive income		
Revaluation of tangible fixed assets	7,630,301	(578,975)
Tax on other comprehensive income	(2,084,108)	-
Other comprehensive income for the period, net of income tax	5,546,193	(578,975)
Total comprehensive income for the period	(1,812,504)	10,769,434

The notes on pages 16 to 28 form an integral part of these financial statements.

Balance Sheet
at 31 January 2021

	<i>Note</i>	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	10		146,469,490		143,654,044
Current assets					
Stocks	11	2,953,898		4,472,917	
Debtors	12	4,383,156		12,660,780	
Cash and bank balances		6,485,289		1,836,568	
		<u>13,822,343</u>		<u>18,970,265</u>	
Creditors: amounts falling due within one year	13	<u>(54,856,171)</u>		<u>(57,652,409)</u>	
Net current liabilities			(41,033,828)		(38,682,144)
Total assets less current liabilities			105,435,662		104,971,900
Provisions for liabilities	14		(11,420,796)		(9,144,530)
Net Assets			94,014,866		95,827,370
Capital and reserves					
Called up share capital	15		3,234,298		3,234,298
Share premium account	17		984,298		984,298
Revaluation reserve	16		41,425,219		35,879,026
Profit and loss account	18		48,371,051		55,729,748
Shareholders' funds			94,014,866		95,827,370

The notes on pages 16 to 28 form an integral part of these financial statements.

The financial statements were approved and authorised by the board on 14th October 2021 and were signed on its behalf by:



J L Jones
Director

Company registered number: 05335601

Statement of Changes in Equity

	Called up Share capital £	Share Premium account £	Revaluation reserve £	Profit and loss account £	Total equity £
Balance at 4 February 2019	3,234,298	984,298	36,458,001	44,381,339	85,057,936
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	11,348,409	11,348,409
Other comprehensive income (note 19)			(578,975)	-	(578,975)
Total comprehensive income for the period	-	-	(578,975)	11,348,409	10,769,434
Balance at 2 February 2020	3,234,298	984,298	35,879,026	55,729,748	95,827,370

	Called up Share capital £	Share Premium account £	Revaluation reserve £	Profit and loss account £	Total equity £
Balance at 3 February 2020	3,234,298	984,298	35,879,026	55,729,748	95,827,370
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	-	(7,358,697)	(7,358,697)
Other comprehensive income (note 19)	-	-	5,546,193	-	5,546,193
Total comprehensive income for the period	-	-	5,546,193	(7,358,697)	(1,812,504)
Balance at 31 January 2021	3,234,298	984,298	41,425,219	48,371,051	94,014,866

The notes on pages 16 to 28 form an integral part of these financial statements.

Notes to the Financial Statements

1 Accounting Policies

Basis of preparation

Amber Taverns Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2017 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Kildale Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Kildale Topco Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.
- The disclosures required by FRS102.11 *Basic Financial Instruments* and FRS102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

These financial statements have been prepared on a 52-week basis to the 31st January 2021.

Measurement convention

The financial statements are prepared on the historical cost basis except for the following assets and liabilities are stated at their fair value: tangible fixed assets are measured in accordance with the revaluation model.

Going concern

The company reported a Loss after tax of £7,358,697 for the 52-week period ended 31 January 2021 and as at 31 January 2021 has net assets of £94,014,866 and net current liabilities of £41,033,828. Subsequent to the year end the COVID-19 pandemic continued to have a significant effect on the company's operations including the enforced closure of pubs nationally until 12th April when only a small number of pubs were able to trade outdoors; the full estate was not re-opened until 17th May 2021 when indoor drinking could resume across all the nations of the UK.

The company is the trading subsidiary of Kildale Topco Limited and is financed by facilities provided by other Group companies. The directors carried out a thorough review of the Group's activities and have projected the Group's performance forward on a variety of scenarios. These scenarios take into account the effect of government policy, the uncertain nature of the COVID-19 pandemic, the nature of facilities present and financial support available to the business, together with the performance of the business following the year end and the experience since the re-opening of the estate from May 2021. Kildale Topco Limited have offered continued financial support for the company for the 12 months following the date of approval of these accounts.

Due to the impact of the pandemic and the initial closure of the business for 15 weeks, the Group approached its lenders HSBC who provide the senior and revolving capex facilities and Ares who provide second lien and PIK facilities in order to revise the covenant tests to avert any breach of the facilities. Covenants are presently based on EBITDA for the previous 12 months and measured quarterly are interest cover, leverage and debt servicing.

Detailed modelling to demonstrate the impact on covenants from temporary closure were produced, given the reduced trading capacity and cash management for the 15-week closure period to July 2020. As a result, certain covenants were amended from April 2020, alongside the deferral of two quarters amortisation on the senior debt of £1m in total, payment of 50% of the second lien interest and capitalisation of the £456k balance onto the existing loan facility. These amended covenant tests were comfortably met.

Notes (continued)

1 Accounting Policies (continued)

A further reset was replicated in October 2020. However, with the ongoing uncertainty within the sector and indeed wider economy the lenders indicated their continued support, but they wanted to revisit the future quarters in February 2021 when there should be more clarity over the required amendments. At the balance sheet date, the bank had not agreed a waiver or amendment of these covenants from April 2021. In April 2021, a further reset was agreed with both lenders which permitted a further deferral of HSBC loan repayments in April and 50% in July. The covenant tests through to 30th January 2022 have been waived and replaced with a simple liquidity and ebitda test, thereafter they are on an adjusted test basis to mitigate the impact of the prolonged closure periods due to the nature of most tests looking back on the preceding 12 months. The standard covenant calculations will be reinstated from April 2022 but at amended levels until the legacy of the pandemic has been lapped.

Further support to the business was made available via an equity injection of £3m from the existing shareholders in November 2020 and a further £3.5m has been injected in April 2021 with a further £1.5m received by the end of July 2021.

Management have prepared various forecasts taking into account sensitivities and recent trading performance. Based on management's forecasts, support exhibited by lenders and the ultimate parent company and equity injections provided by shareholders, the directors consider the Company will be able to meet its liabilities as they fall due for the foreseeable future, and therefore continue to adopt the going concern assumption in preparing the financial statements.

Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

Turnover is recognised when the significant risks and benefits of ownership of the goods have transferred to the customer.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Employee benefits

Defined contribution plans and other long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Notes (continued)

1 Accounting Policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Freehold buildings	-	50 years to an 80% residual value
Fixtures and fittings	-	2-10 years

Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Revaluation

Individual freehold and leasehold properties are stated at fair value less any subsequent accumulated depreciation and impairment losses.

Gains on revaluation are recognised in other comprehensive income and accumulated in revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Losses during the year amounted to £15,028,414. Any excess is recognised in profit or loss. During the year the company reversed £185,009 of impairment losses in the statement of other comprehensive income.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost is based on the first-in first-out principle.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

Deferred taxation on the revaluation uplifts of the properties is debited to the revaluation reserve.

Notes (continued)

1 Accounting Policies (continued)

Grant Income

The grant income during the year has been applied on the accrual model. All grants have been recognised within the Profit and Loss as and when they have been received.

The grant income relates to government support during the Covid-19 pandemic. The grant income for the year amounts to £2,108,675 (2020 – Nil). There are no performance related links to any of the grants.

Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, ("CGU's) or //CGU's// that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes (continued)

1 Accounting Policies (continued)

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

- Value of properties outside of the revaluation year.
- The residual Valuation of Land and Buildings
- Depreciation charge on the Fixed Assets
- Extra VAT Payment

Valuation of properties

In preparing the valuations reflected in these financial statements and disclosed in note 10, the independent valuers drew attention to the impact of the COVID-19 pandemic and included the following explanatory note: "In respect of the pub market as at the valuation date we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of the portfolio of public houses (158 properties) is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case." The carrying value of the Tangible fixed assets is £146,469,490 (2020: £143,654,044).

The company is providing a provision for extra VAT payable to HMRC following findings on a recent VAT inspection due to partial exemption rules. The directors have decided, for it to be prudent, to provide a provision of £431,676 (2020 - £431,676) on a worst-case basis. The directors are confident that an agreement and payment will be made within the next 12 months.

2 Turnover

The whole of the turnover is attributable to the principal activity of the Company.

All turnover arose within United Kingdom.

3 Other operating income

	2021 £	2020 £
Grants received	2,108,675	-
Rents receivable	51,189	61,931
	<u>2,159,864</u>	<u>61,931</u>

Grants that have been recognised in the profit and loss account relate to Covid support that was available to Amber Taverns in the form of Local Restriction Grants, CJRS and Business Support Grants.

Notes (continued)

4 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2021 £	2020 £
Depreciation of tangible fixed assets owned by the Company	5,011,422	4,606,387
(Profit) / Loss on disposal of tangible fixed assets	(25,168)	(173,730)
(Impairment) of tangible fixed assets	(4,091,758)	(150,000)
Costs of Stock	9,767,166	31,440,095
	<u> </u>	<u> </u>

Auditor's remuneration:

	2021 £	2020 £
Audit of these financial statements	22,000	21,500
Amounts receivable by the Company's auditor and its associates in respect of:		
- Taxation compliance services	6,500	3,000
- Taxation advisory services	35,350	29,600
	<u> </u>	<u> </u>

5 Staff numbers and costs

	2021	2020
Wages and salaries	1,836,187	2,191,013
Social security costs	173,793	253,034
Contributions to defined contribution plans	93,836	98,134
	<u> </u>	<u> </u>
	2,103,816	2,542,181
	<u> </u>	<u> </u>

The average monthly number of persons employed by the Company (including Directors), during the period was as follows

	2021 No	2020 No
Number of administration staff	38	40
Number of Key Management staff	4	4
	<u> </u>	<u> </u>
	42	44
	<u> </u>	<u> </u>

Notes (continued)

6 Directors' remuneration

	2021 £	2020 £
Directors' remuneration	460,967	715,241
Company contributions to defined contribution schemes	43,000	42,500
	<u>503,967</u>	<u>757,741</u>

The aggregate of remuneration and Company pension contributions of the highest paid Director was remuneration £121,024 and pension £15,000 (2020: £204,500 remuneration and £nil Pension). Retirement benefits are accruing to three Directors under defined contribution schemes (2020: three).

7 Interest receivable

	2021 £	2020 £
Interest receivable	87	897
	<u>87</u>	<u>897</u>

8 Interest payable

	2021 £	2020 £
Interest payable	-	1,691
	<u>-</u>	<u>1,691</u>

Notes (continued)

9 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2021 £	2020 £
<i>Current tax</i>		
UK corporation tax charge on profit for the period	-	1,214,938
Adjustment for prior period	(766,477)	(33,113)
Total current tax	(766,477)	1,181,825
<i>Deferred tax – see note 14</i>		
Origination and reversal of timing differences	192,158	489,906
Total deferred tax	192,158	489,906
Tax on profit	(577,319)	1,671,731

	£	2021 £	£	2020 £	£	£
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	(769,477)	192,158	(577,319)	(1,181,825)	(489,906)	(1,671,731)
Recognised in other comprehensive income	-	(2,084,109)	(2,084,109)	-	-	-
Total tax	(769,477)	(2,276,267)	1,506,790	(1,181,825)	(489,906)	(1,671,731)

Notes (continued)

9 Taxation (continued)

Reconciliation of effective tax rate

	Period ended 31 January 2021 £	Period ended 2 February 2020 £
Profit for the period	(7,358,697)	11,348,409
Total tax expense	(577,319)	1,671,731
Profit excluding taxation	(7,936,016)	13,020,140
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(1,507,843)	2,473,827
Effects of:		
Non-tax deductible impairment	939,439	548,614
Expenses not deductible for tax purposes, other than impairment	3,161	9,891
Other permanent differences	118	-
Additional deduction for Land Remediation	(1,012)	-
Difference corporation tax rate and deferred tax rate	-	(57,636)
Losses carried back	785,621	-
Deferred Tax adjustment	(2,084,108)	-
Capital Disposals and deferred tax on revaluations	1,018,418	(174,239)
Group relief received	-	(1,095,613)
Prior Year Adjustments	(769,477)	(33,113)
Prior Periods deferred tax	11,919	-
Remeasurement of deferred tax for changes in tax rates	1,026,445	-
Total tax expense included in profit or loss	(577,319)	1,671,731

Factors that may affect future current and total tax charges

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 21. Deferred tax has been calculated at 19% which was the tax rate substantively enacted at 31 December 2020.

Notes (continued)

10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost or valuation:			
At 3 February 2020	125,256,052	44,488,273	169,744,325
Additions	1,418,283	2,870,043	4,288,326
Revaluations	18,566,956	-	18,566,956
Disposals	-	(960,739)	(960,739)
	<hr/>	<hr/>	<hr/>
At 31 January 2021	145,241,291	46,397,577	191,638,868
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 3 February 2020	10,160,478	15,929,803	26,090,281
Charge for the period	485,090	4,526,332	5,011,422
Impairment Losses	15,028,414	-	15,028,414
On disposals	-	(960,739)	(960,739)
	<hr/>	<hr/>	<hr/>
At 31 January 2021	25,673,982	19,495,396	45,169,378
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 January 2021	119,567,309	26,902,180	146,469,490
	<hr/>	<hr/>	<hr/>
At 2 February 2020	115,095,574	28,558,470	143,654,044
	<hr/>	<hr/>	<hr/>

Leased assets

At period end, the net carrying amount of fixed assets leased under finance lease was £nil (2020: £nil).

Revaluation

Land and buildings are valued by independent valuers, Savills, external and independent Chartered Surveyors, in accordance with the RICS appraisal and valuation standards published by the Royal Institute of Chartered Surveyors every 3 years. The last valuation was carried out in September 2020 and is disclosed further in note 1.

The historical cost of the freehold land and buildings included at valuation is £83,245,650 (2020: £81,827,368) and accumulated historical cost depreciation is £3,871,299 (2020: £3,538,316). As such, the historical cost net book value of the freehold land and buildings is £79,374,351 (2020: £78,289,052).

Security

The land and buildings of Amber Taverns Limited have been pledged as security against the bank loans of Kildale Bidco Limited and Kildale Pikco Limited, which are fellow group undertakings.

11 Stocks

	2021 £	2020 £
Goods for resale	2,953,898	4,472,917
	<hr/>	<hr/>

Notes (continued)

12 Debtors

	2021 £	2020 £
Trade debtors	178,272	1,189,866
Amounts owed from group undertakings	2,687,162	10,287,964
Prepayments and accrued income	804,520	1,182,950
Corporation Tax debtor	713,202	-
	<u>4,383,156</u>	<u>12,660,780</u>

13 Creditors: amount falling due within one year

	2021 £	2020 £
Trade creditors	846,892	5,675,525
Amounts owed to group undertakings	48,830,513	47,985,513
Other taxation and social security	1,304,433	1,182,035
Accruals and deferred income	3,874,333	2,349,512
Corporation tax creditor	-	459,824
	<u>54,856,171</u>	<u>57,652,409</u>

14 Provisions for Liabilities

	2021 £	2020 £
Deferred Taxation	10,989,120	8,712,854
VAT inspection	431,676	431,676
	<u>11,420,796</u>	<u>9,144,530</u>

Deferred tax assets and liabilities are attributable to the following:

	Assets 2021 £	2020 £	Liabilities 2021 £	2020 £	Net 2021 £	2020 £
Accelerated capital allowances	-	-	(3,944,404)	(3,320,877)	(3,944,404)	(3,320,877)
On revalued assets	-	-	(7,044,716)	(5,391,977)	(7,044,716)	(5,391,977)
	<u>-</u>	<u>-</u>	<u>(10,989,120)</u>	<u>(8,712,854)</u>	<u>(10,989,120)</u>	<u>(8,712,854)</u>
Tax assets / (liabilities)	-	-	(10,989,120)	(8,712,854)	(10,989,120)	(8,712,854)

Notes (continued)

15 Capital and reserves

	2021 £	2020 £
<i>Allotted, called up and fully paid</i>		
6,468,596 Ordinary shares of £0.50 each	3,234,298	3,234,298
	<u>3,234,298</u>	<u>3,234,298</u>

16 Revaluation reserve

Where tangible fixed assets are revalued, the cumulative increase in the fair value of the property at the date of revaluation in excess of any previous impairment losses, less any associated deferred tax, is included in the revaluation reserve.

17 Share Premium Account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

18 Profit and Loss Account

Includes all current and prior period retained profits and losses net of distribution to owners.

19 Other comprehensive income

2020

	Revaluation reserve £	Profit and loss account £	Total Other comprehensive income £
<i>Other comprehensive income</i>			
Revaluation of tangible fixed assets	(578,975)	-	(578,975)
Deferred tax on other comprehensive income	-	-	-
	<u>(578,975)</u>	<u>-</u>	<u>(578,975)</u>

2021

	Revaluation reserve £	Profit and loss account £	Total Other comprehensive income £
<i>Other comprehensive income</i>			
Revaluation of tangible fixed assets	7,630,301	-	7,630,301
Deferred tax on other comprehensive income	(2,084,108)	-	(2,084,108)
	<u>5,546,193</u>	<u>-</u>	<u>5,546,193</u>

Notes (continued)

20 Capital commitments

The Company's contractual commitments to purchase tangible fixed assets at the period-end were £nil (2020: £444,400).

21 Related parties

Advantage has been taken of the exemption given within FRS 102 Section 33 "Related Party Transactions" to wholly owned subsidiaries, not to disclose related party transactions with members of the group.

There is a composite Unlimited Multilateral Guarantee given by Kildale Parentco Limited, Kildale Bidco Limited, Ingleby (1951) Limited, Ingleby (1952) Limited, Apis Limited, Melli Limited, Amber Taverns Limited. There is a fixed charge over all present freehold and leasehold property, a first fixed charge over book and other debtors and a first floating charge over all assets and undertaking both present and future, initially dated 27 October 2017 and with supplementary security given on 22 April 2021.

22 Post balance sheet events

Amber Taverns Limited has completed on 2 sites, Bridlington and Kirkcaldy since its year ending 31st January 2021. The site in Brownhills opened on 17th May 2021 as lockdown restrictions lifted. Following refurbishment, the site in Bridlington opened in September and Brierly Hill is expected to open early October. Refurbishment has commenced at the sites in Kilmarnock and Kirkcaldy.

23 Ultimate parent undertaking and controlling related party

The Company is a subsidiary of Melli Limited. The ultimate parent Company is Kildale Topco Limited, which is the largest group in which the Company is a member and for which Group Financial Statements are drawn up. Amber Taverns Ltd is also included in the consolidation accounts of Kildale Parentco Ltd along with all the subsidiary companies. Kildale Topco Limited and Kildale Parentco Ltd are registered in England. Copies of their consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is MXP Partners LLP who own 61% as shareholder of Kildale Topco (2020: MXP Partners LLP).