

LT Pub Management Plc

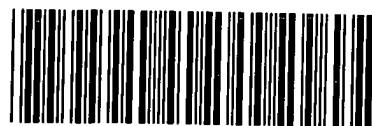
Report and Financial Statements

For the year ended

27 June 2021

Company Number 07139073

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LT Pub Management Plc

Report and financial statements
for the year ended 27 June 2021

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Directors

W Buchanan
I Robinson

Secretary and registered office

N Turpin, 31 Haverscroft Industrial Estate, New Road, Attleborough, Norfolk, NR17 1YE

Company number

07139073

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

LT Pub Management Plc

Strategic report for the year ended 27 June 2021

Results

The consolidated income statement for the period is set out on page 9. Revenues for the year ended 27 June 2021 amounted to £1,946,000 (Period ended 28 June 2020: £5,908,000) and the loss before taxation amounted to £1,069,000 (2020: £1,414,000 loss).

The Group balance sheet at 27 June 2021 showed net liabilities of £643,000 (28 June 2020: net assets £57,000).

The Company paid dividends totalling £nil (2020 - £nil) during the period.

Principal activities, review of the business and future developments

The principal activities of LT Pub Management plc ("the company") and its subsidiaries ("the group") comprise a comprehensive range of front and back-office management services for owners of tenanted and managed pub estates, hotels, restaurants, other leisure and similar assets.

The activities generate income from a number of different arrangements, which are tailored to each client's needs, and include management fees and profit share arrangements. The entitlement to revenues and the responsibility for costs varies by agreement.

Business review

The consolidated income statement for the period is set out on page 9. Revenues amounted to £1,946,000 (2020: £5,908,000) and operating loss before depreciation and amortisation amounted to £957,000 (2020: £1,230,000 loss). Operating loss after depreciation of £56,000 (2020: £111,000) and amortisation of £49,000 (2020: £73,000) was £1,062,000 (2020: £1,414,000 loss). The directors consider these measures to be the key performance indicators of the Group.

Principal risks and uncertainties

Economic climate

The economic climate for pubs and the leisure sector generally has been seriously affected by Covid-19 and the related lockdown and other measures which has had an adverse effect on the Company's fee and other income from these sectors. The gradual ending of lockdown measures is expected to reduce this impact on the sector over time.

Recruitment and retention of managers

The recruitment and retention of highly skilled and professional managers continues to be a principal focus of the Group's management team since this is a key driver for the overall quality and profitability of the business. The market for good managers is very competitive and the Group continues to work closely with current and prospective managers to ensure the Group offers the right business environment for all parties to prosper.

Information technology

The daily operation of the Group is reliant on information technology for accounting, reporting and communications. There is a risk that serious disruption could occur if any of these systems were to fail for a significant period of time.

The risk is mitigated by business continuity plans to allow the business to function in the event of a major systems failure. The Group has controls in place to protect data including appropriate cloud back up.

LT Pub Management Plc

Strategic report for the year ended 27 June 2021 (*continued*)

Section 172 statement

The directors acknowledge their obligation to consider all stakeholders in making decisions. The directors have a duty to promote the success of the company for the benefit of the members as a whole and have considered the following when making decisions:

- The likely consequences of any decision on the long term
- Acting fairly between members of the company
- Maintaining a reputation for high standards of business conduct
- The impact of operations on the community and the environment
- Fostering business relationships with suppliers, customers and others.

Approval

This strategic report was approved by order of the Board on 12 April 2022



Company Secretary

N. R. TURPIN

**Report of the directors
for the year ended 27 June 2021**

Directors

The directors during the period were:

W Buchanan	(Chief Executive Officer)
I Robinson	(Chairman)

Charitable donations

The group made no charitable donations during the period.

Creditor payment policy

The group's policy for the period to 27 June 2021, for all suppliers, is to abide by the agreed terms of payment. The number of day's purchases represented by period-end trade creditors at 27 June 2021 was 113 days (2020 - 54 days).

Directors' responsibilities

The directors are responsible for preparing 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 period. Under that law the directors have elected to prepare the group and company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

LT Pub Management Plc

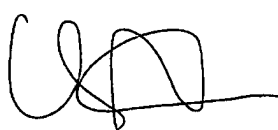
Report of the directors for the year ended 27 June 2021 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



N.R. Turpin

Company Secretary

12 April 2022

LT Pub Management Plc

Independent auditors report

TO THE MEMBERS OF LT PUB MANAGEMENT PLC

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 27 June 2021 and of the Group's loss for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of LT Pub Management Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 27 June 2021 which comprise the consolidated income statement, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company statement of financial position, the company statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent 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.

Material uncertainty related to going concern

We draw attention to note 1 of the financial statements which indicates that the company's ability to continue as a going concern is dependent on the continued availability of its overdraft facility for the duration of the going concern period. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

LT Pub Management Plc

Independent auditors report (*continued*)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Other Companies Act 2006 reporting

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 period 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.

In the light of the knowledge and understanding of the Group and 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 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 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

LT Pub Management Plc

Independent auditors report (*continued*)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the directors and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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


LT Pub Management Plc

Independent auditors report (*continued*)

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Christopher Young (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

12 April 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

LT Pub Management Plc

Consolidated income statement for the year ended 27 June 2021

	Note	Year ended 27 June 2021 £'000	18 month period ended 28 June 2020 £'000
Turnover	4	1,946	5,908
Cost of sales		(1,078)	(2,770)
Gross profit		868	3,138
Other income	5	221	251
Administrative expenses	6	(2,151)	(4,803)
Operating loss	7	(1,062)	(1,414)
Interest paid		(7)	
Loss on ordinary activities before taxation		(1,069)	(1,414)
Taxation on loss on ordinary activities	8	369	-
Loss on ordinary activities after taxation		(700)	(1,414)

All amounts relate to continuing activities.

There are no other items of recognised gains or losses other than those shown in the income statement, and there was no other comprehensive income for the period.

The notes on pages 15 to 25 form part of these financial statements.

LT Pub Management Plc

Consolidated statement of financial position at 27 June 2021

<i>Company number 7139073</i>	Note	Year ended 27 June 2021 £'000	Year ended 27 June 2021 £'000	18 month period ended 28 June 2020 £'000	18 month period ended 28 June 2020 £'000
Fixed assets					
Property, plant and equipment	10		80		134
Goodwill	11		413		462
			<u>493</u>		<u>596</u>
Current assets					
Stock	12	4		17	
Debtors	13	1,241		1,131	
Cash at bank and in hand		248		1,309	
		<u>1,493</u>		<u>2,457</u>	
Creditors: amounts falling due within one year	14	<u>(1,629)</u>		<u>(1,746)</u>	
Net current (liabilities)/assets			(136)		711
Creditors: amounts falling due after more than one year			<u>(1,000)</u>		<u>(1,250)</u>
Net (liabilities)/assets			<u>(643)</u>		<u>57</u>
Equity					
Share capital	16		55		55
Share premium			470		470
Profit and loss account			(1,168)		(468)
Shareholders' funds			<u>(643)</u>		<u>57</u>

The financial statements were approved by the Board and authorised for issue on 12 April 2022



W Buchanan
Director

The notes on pages 15 to 25 form part of these financial statements.

LT Pub Management Plc

Consolidated statement of changes in equity for the year ended 27 June 2021

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 28 June 2020	55	470	(468)	57
Total comprehensive expense	-	-	(700)	(700)
	<hr/>	<hr/>	<hr/>	<hr/>
At 27 June 2021	55	470	(1,168)	(643)
	<hr/>	<hr/>	<hr/>	<hr/>
	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total Equity £'000
At 30 December 2018	55	470	946	1,471
Total comprehensive income	-	-	(1,414)	(1,414)
Dividend paid	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2020	55	470	(468)	57
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 15 to 25 form part of these financial statements.

LT Pub Management Plc
Consolidated statement of cash flows
for the year ended 27 June 2021

	Note	Year ended 27 June 2021 £'000	18 month period ended 28 June 2020 £'000
Cash flows from operating activities			
(Loss)/Profit for the financial period		(700)	(1,414)
Adjustments for:			
Depreciation and amortisation of assets	10,11	105	184
Net interest payable		7	-
Tax credit		(369)	-
Decrease in trade and other debtors		259	1,667
Decrease in stocks		13	63
(Decrease) in trade and other creditors		(367)	(3,226)
Cash from operations			
Interest paid		(7)	-
		(1,059)	(2,726)
Net cash used in operating activities			
Cash flows from investing activities		(2)	(97)
Purchases of tangible fixed assets			
		(2)	(97)
Net cash used in investing activities			
Cash flows from financing activities		-	-
Equity dividends paid		-	1,250
Bank loan received			
		-	1,250
Net cash used in financing activities			
Net decrease in cash and cash equivalents		(1,061)	(1,573)
Cash and cash equivalents at beginning of period		1,309	2,882
		248	1,309
Cash and cash equivalents at end of period			
Cash and cash equivalents comprise:		248	1,309
Cash at bank and in hand			

The notes on pages 15 to 25 form part of these financial statements.

LT Pub Management Plc

Company financial position at 27 June 2021

<i>Company number 7139073</i>	<i>Note</i>	<i>Year ended 27 June 2021</i>	<i>Year ended 27 June 2021</i>	<i>18 month period ended 28 June 2020</i>	<i>18 month period ended 28 June 2020</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Fixed assets					
Investment in subsidiary undertakings	11		987		987
Current assets					
Debtors	13	494		500	
Cash at bank and in hand		-		-	
		<u>494</u>		<u>500</u>	
Creditors: amounts falling due within one year	14	-		(6)	
		<u>-</u>		<u>(6)</u>	
Net current assets			494		494
Net assets			<u>1,481</u>		<u>1,481</u>
Capital and reserves					
Share capital	16		55		55
Share premium			470		470
Retained earnings		956		956	
Profit/(Loss) for the period		-		-	
		<u>-</u>	956	<u>-</u>	956
Shareholders' funds			<u>1,481</u>		<u>1,481</u>

The financial statements were approved by the Board and authorised for issue on 12 April 2022



W Buchanan
Director

The notes on pages 15 to 25 form part of these financial statements.

LT Pub Management Plc

Company statement of changes in equity for the year ended 27 June 2021

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total Equity £'000
At 28 June 2020	55	470	956	1,481
Total comprehensive income	-	-	-	-
At 27 June 2021	55	470	956	1,481
	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total Equity £'000
At 30 December 2018	55	470	956	1,481
Total comprehensive income	-	-	-	-
At 28 June 2020	55	470	956	1,481

The notes on pages 15 to 25 form part of these financial statements.

LT Pub Management Plc

Notes forming part of the financial statements for the year ended 27 June 2021

1 Accounting policies

LT Pub Management plc is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the Strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Parent company disclosure exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the Parent Company;
- Disclosures in respect of the Parent Company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of LT Pub Management plc and its subsidiaries ("the group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 28 December 2015.

The company has taken the exemption under section 408 of the Companies Act from the requirement to publish its own profit and loss account. A profit of £nil (2020 - £nil) arose in the period.

Goodwill

Goodwill arising on an acquisition of a subsidiary is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of the useful economic life which is 20 years. Impairment tests are undertaken at the end of the first full year after acquisition or if circumstances change which may indicate an impairment.

LT Pub Management Plc

Notes forming part of the financial statements for the year ended 27 June 2021 (*continued*)

1 Accounting policies (*continued*)

Goodwill (continued)

The need for any amortisation or impairment of goodwill or intangible assets will be assessed by considering the higher of its original acquisition value compared to its current fair value. These assessments will be carried out annually or when there are any other adverse events or changes in circumstances that cast doubt on the recoverability of the capitalised value of goodwill or intangible asset.

Going concern

The impact of COVID-19 on the economy and the hospitality industry has resulted in lower revenues, profit and operating cashflows since March 2020. Although the hospitality industry has now reopened in full, there remains uncertainty over whether future restrictions will be required and the impact that this could have on the future financial performance of the company.

The group funds its working capital requirements through a fixed term bank loan due for repayment in 2026 and an overdraft facility. Whilst there are no covenants attached to the facilities, the overdraft is required to be reviewed on a 3 month rolling basis. The directors have prepared forecasts which take in to account the expectation of new service contracts being entered in to over the going concern period. These forecasts indicate that the group will have adequate resources to continue in operational existence for the duration of the 12 month going concern period. For this reason, the directors continue to adopt the going concern basis of accounting in preparing these financial statements. However, a material uncertainty exists, in relation to the overdraft facility being renewed for the duration of the going concern, which may cast significant doubt on the group's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rate:

Fixtures and fittings	- 3-10 years
Leasehold office building	- 10 years

Stock

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Investments

Parent company investments in subsidiaries are stated at cost less provision for any impairment.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

LT Pub Management Plc

Notes forming part of the financial statements for the year ended 27 June 2021 (*continued*)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on such assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

Critical accounting policies, estimates and judgements

The Group makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period relate are set out below.

- Determine whether agreement entered into by the Group result in it acting as principal. These decisions depend on an assessment of whether the risks and rewards of operations have been transferred.
- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether there are specific debtor provisions required. Factors taken into consideration in reaching such a decision include the assessment of the legal and commercial recoverability of the individual debtor.
- Consider the estimated future profitability of the group to support the carrying value of the Group's deferred tax asset.

3 Financial Risk Management

The Directors are responsible for ensuring that the Group's risks are appropriately monitored and, to the extent that elements of this are delegated to third party service providers, the Directors are responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of the relevant agreements.

The Directors are responsible for the operational risk oversight of the Group and the maintenance of the Group's assets, ensuring the establishment of appropriate and consistent procedures for effective management of the Group's resources.

The significant types of risk that the Group is exposed to are detailed below.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due or can only do so at a significantly increased cost.

The Group receives management fees on a monthly basis.

LT Pub Management Plc

Notes forming part of the financial statements for the year ended 27 June 2021 (continued)

3 Financial Risk Management (continued)

A detailed analysis of the maturity profile of the Group's financial assets and financial liabilities is shown below.

	Less than 12 months £'000s	1 to 5 years £000's	Total £000's
Financial assets:			
Debtors	261	-	261
Cash and cash equivalents	248	-	248
	509	-	509
Financial liabilities:			
Creditors	(1,629)	(1,000)	(2,629)
	(1,120)	(1,000)	(2,120)

Financial liabilities (maturity)

The maturity groupings are based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Group can be required to pay. Financial liabilities comprise trade and other payables, accruals, and deferred income.

Financial assets (maturity)

The maturity groupings are based on the period from the end of the reporting period to the contractual maturity date or if earlier, the expected date the assets will be realised. Financial assets comprise cash, trade and other receivables.

Credit risk

The balance sheet at 27 June 2021 shows trade receivables and other receivables of £261,000 (2020: £364,000). The majority of the debt is management fees that is paid after the balance sheet date at contractually agreed points.

Capital risk management

The capital of the Group is regarded as the called-up share capital on ordinary shares and retained earnings. The Group's objective when managing capital is to safeguard the ability to continue as a going concern in order to provide returns to shareholders and to maintain a strong capital base to support the activities of the Group.

The Directors regularly review expenses and cash flow forecasts in order to maintain a strong capital base.

LT Pub Management Plc

Notes forming part of the financial statements for the year ended 27 June 2021 (continued)

4 Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of the business, net of discounts and VAT. Turnover has arisen during the period as follows:

United Kingdom - £1,946,000 (2020: £5,908,000)

- Management services income*

Revenue earned in respect of management services is recognised in the period to which it relates.

- Drink and food sales*

Revenue in respect of drink and food sales is recognised at the point at which the goods are provided, net of discounts or volume rebates allowed

5 Other Income

All other income relates to furlough income claimed through the CJRS Scheme and Council Grants.

6 Employees and directors

	Year ended 27 June 2021	18 month period ended 28 June 2020
	£'000	£'000
Staff costs consist of:		
Wages and salaries	1,208	3,602
Social security costs	133	323
	<u>1,341</u>	<u>3,925</u>

The directors received aggregate emoluments of £272,965 (2020: £462,213) during the period. The emoluments of the highest paid director were £212,965 (2020: £361,576).

The average number of employees during the period was:

	Year ended 27 June 2021	18 month period ended 28 June 2020
	Number	Number
Managerial	4	4
Clerical admin	29	43
Pub operational staff	9	66
	<u>42</u>	<u>113</u>

LT Pub Management Plc

Notes forming part of the financial statements for the year ended 27 June 2021 (*continued*)

7 Group operating profit

	Year ending 27 June 2021	18 month period ended 28 June 2020
	£'000	£'000
This has been arrived at after charging:		
Depreciation of fixed assets	56	111
Amortisation of goodwill	49	73
Auditors' remuneration - parent	4	4
Auditors' remuneration - subsidiaries	29	32
Auditors' remuneration - corporate tax compliance services	11	11
	<u> </u>	<u> </u>

8 Taxation on profit from ordinary activities

	Year ended 27 June 2021	18 month period ended 28 June 2020
	£'000	£'000
<i>Deferred tax</i>		
Tax on loss for the period	369	-
	<u> </u>	<u> </u>

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 27 June 2021	Year ended 28 June 2020
	£'000	£'000
Loss on ordinary activities before tax	(1,062)	(1,414)
	<u> </u>	<u> </u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(202)	(269)
Effects of:		
Carry forward/Utilisation of tax losses and other deductions	202	269
Remeasurement of deferred tax asset	(369)	
	<u> </u>	<u> </u>
Current tax credit for period	(369)	-
	<u> </u>	<u> </u>

The deferred tax asset has been recognised at 25% being the substantially enacted rate of tax at the 27 June 2021 and the rate at which the losses are expected to be utilised.

LT Pub Management Plc

Notes forming part of the financial statements
for the year ended 27 June 2021 (*continued*)

10 Tangible fixed assets

Group	Fixtures fittings and equipment £'000	Leasehold Buildings £'000	Total £'000
<i>Cost</i>			
At 28 June 2020	603	159	762
Additions	2	-	2
Disposals			
At 27 June 2021	605	159	764
<i>Depreciation</i>			
At 28 June 2020	508	120	628
Provided for the period	50	6	56
At 28 June 2020	558	126	684
<i>Net book value</i>			
At 27 June 2021	47	33	80
At 28 June 2020	95	39	134

LT Pub Management Plc

Notes forming part of the financial statements for the year ended 27 June 2021 (*continued*)

11 Goodwill

Group	Goodwill £'000
<i>Cost</i>	
At 28 June 2020 and 27 June 2021	987
<i>Amortisation</i>	
At 28 June 2020	525
Provided for the period	49
	574
<i>Net book value</i>	
At 27 June 2021	413
	462

The goodwill carried forward of £413,000 relates to the acquisition of the business.

Company

	Investments in group Undertakings £'000
<i>Cost</i>	
At 28 June 2020	987
<i>Net book value</i>	
At 27 June 2021	987
	987

The subsidiary undertakings at the balance sheet date were:

Company	Country of registration	Nature of business	Shares held Class	%
Subsidiary undertakings:				
<i>Directly held:</i>				
LT Pub Support Services Limited	England	Pub management	Ordinary	100
LT Management Services Limited	England	Pub management	Ordinary	100

LT Pub Management Plc

Notes forming part of the financial statements
for the year ended 27 June 2021 (continued)

12 Stock

	Group Year ended 27 June 2021 £'000	Group Period ended 28 June 2020 £'000
Goods held for resale	4	17

13 Debtors

	Group Year ended 27 June 2021 £'000	Group Period ended 28 June 2020 £'000	Company Year ended 27 June 2021 £'000	Company Period ended 28 June 2020 £'000
Trade debtors	158	318	-	-
Other debtors	103	46	-	-
Prepayments and accrued income	423	579	-	-
Amounts due from group undertakings	-	-	494	500
Deferred tax asset	557	188	-	-
	<u>1,241</u>	<u>1,131</u>	<u>494</u>	<u>500</u>

All amounts shown within debtors are considered recoverable within 12 months with the exception of the deferred tax asset, which is recoverable after more than 12 months.

14 Creditors: amounts falling due within one year

	Group Year ended 27 June 2021 £'000	Group Period ended 28 June 2020 £'000	Company Year ended 27 June 2021 £'000	Company Period ended 28 June 2020 £'000
Trade creditors	725	1,175	-	6
Other creditors	559	506	-	-
Accruals and deferred income	95	65	-	-
Bank Loan	250	-	-	-
	<u>1,629</u>	<u>1,746</u>	<u>-</u>	<u>6</u>

LT Pub Management Plc

Notes forming part of the financial statements for the year ended 27 June 2021 (*continued*)

15 Creditors: amounts falling due after more than one year

	Year ended 27 June 2021	18 month period ended 28 June 2020
	£'000	£'000
Bank loans	<u>1,000</u>	<u>1,250</u>

Bank loans are repayable as follows:

	Year ended 27 June 2021	18 month period ended 28 June 2020
	£'000	£'000
Within one year	250	-
Between one to two years	250	250
Between two to five years	750	1,000
	<u>1,250</u>	<u>1,250</u>

The bank loan is secured against the assets of the company and the group. The loan is with NatWest bank and is repayment and interest free for the initial 12 months and then repayable over 5 years thereafter. The rate of interest is 3.45% above base rate.

16 Share capital

	Year ended 27 June 2021	18 month period ended 28 June 2020
	£	£
<i>Authorised</i>		
Equity interests		
500,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
<i>Issued, called up and fully paid</i>		
Equity interests		
55,001 Ordinary shares of £1 each	<u>55,001</u>	<u>55,001</u>

The company holds 2,500 of its ordinary shares in treasury shares

17 Ultimate controlling party

The ultimate controlling party is Lord Ashcroft KCMG PG. The immediate parent undertaking is Burac Trade & Invest Corp, a company incorporated in the British Virgin Islands.

LT Pub Management Plc

Notes forming part of the financial statements for the year ended 27 June 2021 (*continued*)

18 Related party transactions

The Company has taken advantage of the exemption allowed not to disclose any transactions with wholly owned subsidiaries that are included in the consolidated financial statements of LT Pub Management plc.

The Group earned fees of £228,667 for the period (2020: £414,495) from companies which had common directors or control. There is £7,251 outstanding at 27 June 2021 (2020: £24,595).

19 Operating lease commitments

The group has the following operating lease commitments:

	Year ended 27 June 2021	18 month period ended 28 June 2020
	£	£
Less than 1 year	-	37
From 2-4 years	-	62
More than 5 years	-	3
	<hr/>	<hr/>
	-	102
	<hr/>	<hr/>

20 Net Debt Reconciliation

	28 June 2020	Cash Flows	27 June 2021
	£'000	£'000	£'000
Cash at bank and in hand	1,309	(1,061)	248
Bank Loans	(1,250)	-	(1,250)
	<hr/>	<hr/>	<hr/>
	59	(1,061)	(1,002)
	<hr/>	<hr/>	<hr/>