

Bermondsey Pub Company Limited

Report and Accounts

For the 52 weeks ended 26 September 2021

Registered Company Number: 08836925

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COMPANIES HOUSE

Bermondsey Pub Company Limited

COMPANY INFORMATION

Registered No: 08836925

DIRECTORS

S D Longbottom

I T Payne

D A Ross

REGISTERED OFFICE

3 Monkspath Hall Road

Solihull

West Midlands

B90 4SJ

Bermondsey Pub Company Limited

STRATEGIC REPORT

Registered No: 08836925

PRINCIPAL ACTIVITIES

Bermondsey Pub Company Limited ("the Company") is a wholly owned subsidiary of Enterprise Managed Investments Limited within the group headed by the ultimate parent company Stonegate Pub Company Topco Sarl ("the Group"). Please refer to note 19 for further details.

At 26 September 2021 the Company had discontinued operation of all remaining public houses (27 September 2020: operated 63 public houses). Within the period, the Company's interest in these pubs were transferred to other Group companies and following this the Company no longer intends to trade. *However, the Company has incurred a taxation credit due to interest imputed for taxation purposes on the movement on the intercompany balance owing to the Group.*

RESULTS AND DIVIDENDS

The Company reported revenue of £1,623,000 in the 52 week period to 26 September 2021 (52 week period to 27 September 2020: £26,261,000).

The profit before tax for the period amounted to £1,274,000 (52 weeks ended 27 September 2020: loss before tax £5,134,000) due to the Company's intention to no longer trade within the period. The directors do not recommend the payment of a dividend (2020: £nil).

KEY PERFORMANCE INDICATORS (KPIs)

The KPIs below are used by the Company to measure its performance:

- Revenue of £1,623,000 (2020: £26,261,000)
- Operating profit of £267,000 (2020: profit of £2,622,000)

RISKS AND UNCERTAINTIES

The principal risks affecting the Company during the 52 week period are discussed below. This is not an exhaustive analysis. The risks are monitored on a wider Group basis and there are formal management processes in place to identify and evaluate these risks.

Industry specific

During the period, up until the Company ceased to trade, the Company operated in the leisure industry which is sensitive to economic conditions and pressures on disposable income. The industry was also enduring inflationary cost pressures relating to food prices, business rates, utility costs, and the national living wage which had a direct impact on the Company.

The Board regularly reviewed results and forecasts to assess the impact of economic conditions on its budget and strategic plans. The Company was well placed to react to additional competition for leisure spending by being able to respond quickly in our pubs to adapt offers.

During the period the Company was subject to various areas of regulation, particularly with regards to the sale of alcohol. This included licences, permits, late night levies and various restriction orders. The Company worked closely with the Police, Local Authorities and trade bodies to ensure we remained compliant with legislation.

Bermondsey Pub Company Limited

STRATEGIC REPORT (CONTINUED)

Registered No: 08836925

RISKS AND UNCERTAINTIES

Industry specific (continued)

The Company's employees were subject to the Working Time Regulations, which control the hours they are legally allowed to work. In addition, a large portion of the Company's staff were employed at the minimum wage and so the Company was impacted by increases in the minimum wage during the period. The Directors balanced expected increases in the labour costs of the Company against expected future revenue growth as well as measures in place within the Company to optimize staff scheduling.

Company specific

A large proportion of the Company's managed pub revenues were collected in cash across its pubs and bars, which exposed the Company to potential cash loss. The Company had a strong internal audit department which maintained a comprehensive cash handling policy and ensured there was minimal cash leakage out of the business.

The Company placed reliance on key suppliers and distributors to ensure there was a continuous supply of both food, drink and other products to its managed pubs. The Company was exposed to the risk of failure by these suppliers to deliver in the required time frames or to the standards expected. The Company worked closely with its key suppliers and distribution partners to ensure good working relationships. In addition, a disaster recovery and business continuity plan was established to mitigate such risks both at a Company and Group level.

A health and safety incident could result in serious injury to the Company's employees or customers. There was a risk that we did not have visibility of our full supply chain, especially where food products are concerned, that could lead to unsafe foods entering the chain without our knowledge. In addition, the importance of allergen information continued to grow and so the Company made sure that its information was accurate and readily available during the period. The Group has developed an effective health and safety management system to ensure the Company was compliant with all legal duties placed on the organisation by health and safety law. All systems were subject to regular review with training provided as appropriate. These measures ensured effective control of the Company.

The Company's operations were reliant on its information technology systems for business processes, accounting, reporting and communication. There was therefore a risk to business operations if there was a critical IT systems loss caused by failure or a security breach. The Company operated offsite recovery capability, with back up data plans in place. Systems were protected by anti-virus software and firewalls, which were regularly kept up to date.

DIRECTORS DUTIES UNDER SECTION 172 OF THE COMPANIES ACT 2006

Bermondsey Pub Company Limited directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have given regard, amongst other matters, to the following considerations in the decisions taken during the financial period ended 27 September 2020:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, guests and others;
- The impact of the Company's operations on the community and environment;
- The desirability of the Company in maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Company.

Bermondsey Pub Company Limited

STRATEGIC REPORT (CONTINUED)

Registered No: 08836925

DIRECTORS DUTIES UNDER SECTION 172 OF THE COMPANIES ACT 2006 (continued)

The Board has a duty under Section 172 Companies Act 2006 to promote the success of the Company and, in doing so, must take account of the effect on other stakeholders of how it manages the business of the Company, whether these stakeholders are from within the Company, in its group or outside the Company and its group. Throughout the period the Board has kept in mind these responsibilities as it has supervised and monitored the business activities and prospects of the Company and as it has considered, and where appropriate, made decisions relating to strategic aspects of the Company's affairs.

In carrying out these functions, the Board had regard to those stakeholders which it had identified as being of significant importance, as listed below:

- The Company's ultimate shareholder, who benefit from the success of the Company and therefore all business decisions are made by the Board so as to ultimately enhance the medium to long term value of the Company and Group;
- Company employees, who rely on the Company for regular income and job security;
- Customers, who come to the Company's pubs to enjoy drink and food in a safe and enjoyable atmosphere; and
- Suppliers, who we look to form long-term working relationships with in order to harness price benefits for us and demand for product/service for them.

In making their decisions, the Directors consider each stakeholder group and the impact that the outcome of any decisions may have on them to ensure they are in the best interests of the Company now and in the longer term.

By order of the Board



D A Ross
Director
24 June 2022

Bermondsey Pub Company Limited

DIRECTORS' REPORT

Registered No: 08836925

The directors present their report and accounts for the 52 weeks ended 26 September 2021.

DIVIDENDS

The Company did not pay a dividend during the period (52 weeks ended 27 September 2020: £nil) and the directors do not recommend the payment of a final dividend (52 weeks ended 27 September 2020: £nil).

DISABLED EMPLOYEES

During the period and up until the point the Company ceased to trade, the Company gave full consideration to applications for employment from disabled persons where the requirements of the job could be adequately fulfilled by them. The Company endeavoured to retain the employment of, and arrange suitable retraining for, any employee who become disabled during their employment as well as providing training, career development and promotion to disabled employees wherever appropriate.

EMPLOYEE INVOLVEMENT

During the period and up until the point the Company's employees transferred to another group company, the Company communicated with its managers and team members through a weekly bulletin which highlighted important information and shared good news stories from our pubs. The Company also sent communication updates to the whole team.

DIRECTORS

The directors of the Company during the 52 weeks ended 26 September 2021 and since the end of the period were as follows:

S D Longbottom
I T Payne
D A Ross

INFORMATION GIVEN IN THE STRATEGIC REPORT

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 to include certain disclosures required under section 416 of the Companies Act 2006 within the Strategic Report.

POLITICAL CONTRIBUTIONS

The Company made no political donations or incurred any political expenditure during the period.

GOING CONCERN

In the current period it has been assessed that the Company is a going concern with a material uncertainty and so the financial statements have been prepared on a going concern basis. Please see note 3 for further information considered by the directors in reaching this conclusion.

By order of the Board



D A Ross
Director
24 June 2022

Bermondsey Pub Company Limited

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 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) including FRS 101 'Reduced Disclosure Framework' (FRS 101). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Bermondsey Pub Company Limited

INCOME STATEMENT

52 weeks ended 26 September 2021

	Note	52 weeks ended 26 September 2021 £000	52 weeks ended 27 September 2020 £000
Revenue	4	1,623	26,261
Other income	5	2,089	2,995
Operating costs before depreciation and amortisation		(3,445)	(26,634)
OPERATING PROFIT BEFORE DEPRECIATION, PROFIT ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT		267	2,622
Depreciation		(623)	(6,861)
Profit on disposal of property, plant and equipment		1,688	144
OPERATING PROFIT/(LOSS)	6	1,332	(4,095)
Finance costs	16	(58)	(1,039)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,274	(5,134)
Taxation	9	(243)	956
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		1,031	(4,178)

Given the Company's interest in the pubs was transferred to other Group companies within the period the Company has ceased to trade and the operations have discontinued within the period.

There are no amounts of other comprehensive income or losses, therefore no separate statement of other comprehensive income is presented.

Total comprehensive income or losses equates to the profit or loss on ordinary activities after taxation.

The accompanying notes form part of the financial statements.

Bermondsey Pub Company Limited


BALANCE SHEET

At 26 September 2021

	Note	26 September 2021 £000	27 September 2020 £000
Non-current assets			
Property, plant and equipment	10	-	13,201
Deferred tax	11	-	187
		-	13,388
Current assets			
Inventories	12	-	619
Receivables	13	896	845
Cash		421	2,001
		1,317	3,465
TOTAL ASSETS		1,317	16,853
Current liabilities			
Trade and other payables	14	(12,106)	(14,842)
Financial liabilities	15	-	(7,452)
		(12,106)	(22,294)
Non-current liabilities			
Financial liabilities	15	-	(6,379)
		-	(6,379)
TOTAL LIABILITIES		(12,106)	(28,673)
NET LIABILITIES		(10,789)	(11,820)
Capital and reserves			
Called up share capital	17	-	-
Profit and loss account		(10,789)	(11,820)
SHAREHOLDERS' DEFICIT		(10,789)	(11,820)

The Company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the period ended 26 September 2021. The members have not required the Company to obtain an audit of its financial statements for the period ended 26 September 2021 in accordance with Section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements were approved by the Board and signed on its behalf by:



D A Ross
Director
24 June 2022

Bermondsey Pub Company Limited

STATEMENT OF CHANGES IN EQUITY

At 26 September 2021

	Called up share capital	Profit and Loss Account	Total
	£000	£000	£000
At 30 September 2019	-	(6,264)	(6,264)
Adoption of IFRS 16		(1,378)	(1,378)
Loss for the period	-	(4,178)	(4,178)
At 27 September 2020	-	(11,820)	(11,820)
Profit for the period	-	1,031	1,031
At 26 September 2021	-	(10,789)	(10,789)

The accompanying notes form part of the financial statements.

Bermondsey Pub Company Limited

NOTES TO THE ACCOUNTS

At 26 September 2021

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101

The financial statements were approved by the Board for issue on 24 June 2022.

The financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The financial statements are prepared under the historical cost convention.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the 52 weeks ended 26 September 2021. The financial statements are prepared in Sterling and are rounded to the nearest thousand pounds (£000s).

2. BASIS OF PREPARATION

The Company continues to adopt FRS 101 and has applied the requirement of SI 2015/980: The Companies, Partnerships and Groups (Accounts and Reports Regulations 2015) in preparing the accounts.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 7 Financial Instruments: Disclosure;
- The requirements of paragraph 52 and paragraph 58 of IFRS 16 Leases;
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- The requirements of paragraph 134-136 of IAS 1 Presentation of Financial Statements to disclose information about capital and how it is managed;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to provide information about the impact of IFRS's that have been issued but are not yet effective;
- The requirements of paragraphs 10(d), 16, 38A, 38B-D and 111 of IAS 1 and the requirements of IAS 7 Statement of Cash Flows;
- The requirements of IAS 24 Related Party Transactions to disclose transactions entered into between two parties wholly owned within the same group;
- The requirements of paragraph 16 of IAS 1 to make an explicit and unreserved statement of compliance with IFRS
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures; and
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers

The directors consider that the accounting policies set out below are suitable, have been consistently applied unless otherwise stated and are supported by reasonable and prudent judgements and estimates.

The Company is a private company limited by shares, incorporated in England and registered at 3 Monkspath Hall Road, Solihull, United Kingdom, B90 4SJ. It is a subsidiary of Stonegate Pub Company Topco Sarl, a company registered in Luxembourg. These financial statements present information about the Company as an individual undertaking. The top UK company which the Company is consolidated into is Stonegate Pub Company PIKCO Holdings Limited, registered at the same Solihull address as above.

Bermondsey Pub Company Limited

NOTES TO THE ACCOUNTS

At 26 September 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The directors consider that the accounting policies set out below are suitable, have been consistently applied unless otherwise stated and are supported by reasonable and prudent judgements and estimates.

Use of accounting estimates and judgements

The Company makes estimations and assumptions during the preparation of the financial statements. Actual results may differ from these estimates under different assumptions and conditions. The estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are discussed below:

Judgements:

Going concern

The Directors have used judgement in determining that the entity is a going concern (see 'going concern' below for further details).

Estimates:

There are no estimates made that have a significant effect on the amounts recognised in the financial statements.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The financial position of the Company is set out in the Balance Sheet on page 8 which shows net liabilities of £10,789,000 (2020: £11,820,000).

For the part of the period that the Company was trading for, the Company met its day-to-day working capital requirements through its standard trading cycle of cash sales. Customers paid by cash or card resulting in minimal credit risk for the Company and the Company took advantage of suppliers' normal credit terms. Therefore, the Company typically has operated with net current liabilities (current period net current liabilities of £10,789,000; 2020 net current liabilities of £18,829,000).

The Company is also a guarantor on certain loans within the group headed by the Company's intermediate parent, Stonegate Pub Company Limited ("the Stonegate Group") and therefore would be jointly and severally liable in the case that the relevant entities within the Stonegate Group could not meet their relevant debt obligations.

The directors have performed a going concern assessment for a period of at least 12 months from the date of approval of these financial statements which indicate that the Company will require additional funding from its intermediate parent company, Stonegate Pub Company Limited, to enable it to meet its liabilities as they fall due for that period. That assessment is dependent on Stonegate Pub Company Limited not seeking repayment of the amounts currently due to the group, which at the balance sheet date amounted to £10,051,000 and providing additional financial support during that period. Stonegate Pub Company Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due to the group at the balance sheet date, during the going concern assessment period to assist in meeting the Company's liabilities as and when they fall due.

Bermondsey Pub Company Limited

NOTES TO THE ACCOUNTS

At 26 September 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

However, continued support is dependent on the ability of the Stonegate Group to settle its liabilities as they fall due. In order to determine if the Stonegate Group has adequate resources to continue to meet its liabilities as they fall due and is in a position to provide financial support to the Company during the going concern assessment period, the directors have made enquiries of the directors of Stonegate Pub Company Limited in respect of the Stonegate Group's financial resources including cash flow forecasts and covenant compliance tests for a period of at least 12 months from the date of approval of these financial statements.

The Stonegate Pub Company Limited Group financial statements, authorised for issue on 23 January 2022, indicate that a material uncertainty exists over the Stonegate Group's ability to continue as a going concern due to the future uncertain effect on the Stonegate Group's trading arising as a result of the Covid-19 pandemic and in particular the substantial achievement of base case forecasts and, in downside scenarios, the replacement of the scheduled reduction in facilities and the availability of such additional funding as may be needed.

Due to the timing between those group accounts being authorised for issue and the date of approval of these financial statements, the directors of the Company have performed enquiries with the directors of Stonegate Pub Company Limited as to whether there have been any significant changes in performance or circumstances that may affect the uncertainties that are relevant to the Company's ability to continue as a going concern during the going concern assessment period, including the impact of current macro-economic factors on the Stonegate Group.

Based on these enquiries and the above, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the continued availability of such financial support as may be needed from Stonegate Pub Company Limited together with the other matters described above, represent a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. These financial statements do not contain the adjustments that would result from the basis of preparation being inappropriate.

Revenue

Revenue is the fair value of consideration received or receivable for goods and services provided in the normal course of business, net of discounts and taxes. Revenue principally consists of drink and food sales, which are recognised at the point at which goods are provided, gaming machine income which is recognised in the accounting period to which the sale relates and accommodation income which is recognised at the point the accommodation is provided.

Government grant

Money received in the form of a government grant is treated as a revenue grant. Therefore, grant income is recorded within other income in the income statement on a systematic basis in the same periods as the related expenses occurred.

Taxation

The tax expense comprises both the tax payable based on taxable profits for the year and deferred tax. Deferred tax is provided using the balance sheet liability method in respect of temporary differences between the carrying value of assets and liabilities for accounting and tax purposes. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. No deferred tax is recognised if the taxable temporary difference arises from

Bermondsey Pub Company Limited

NOTES TO THE ACCOUNTS

At 26 September 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation(continued)

goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and the intention is to either settle on a net basis or realise the asset and liability simultaneously. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and the assets and liabilities relate to taxes levied by the same tax authority which are intended to be settled net or simultaneously.

Tax is charged or credited to Other Comprehensive Income if it relates to items that are charged or credited to Other Comprehensive Income. Similarly tax is charged or credited directly to equity if it relates to items charged or credited directly to equity. Otherwise tax is charged in the Income Statement. Tax is calculated using tax rates enacted or substantively enacted at the Balance Sheet date.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on cost at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Right-of-use assets

Straight line over the length of the lease

Inventories

Inventories which comprise products held for resale are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business. For resale stock cost is calculated using the first in first out method.

Financial instruments

a) Cash and cash equivalents

Cash comprises cash at bank and in hand.

b) Intercompany

Financial instruments include intercompany loans payable which are measured at amortised cost.

Trade receivables and trade payables

Trade receivables are held at their original invoiced amount net of an expected credit loss allowance based on the simplified model as allowed by IFRS 9.

Trade payables are held at amortised cost.

Leases

In the prior period and part of the current period, the Company leased properties. Within the period, the Company's interest in the pubs remaining at the start of the current period were sold to other Group companies and following this the Company no longer intends to trade. The following policy all relates to the prior period.

In the prior period, at the inception of a contract the Company assesses whether that contract is or contains a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has taken the practical expedient in paragraph C3 of IFRS 16 'Leases' not to reassess whether an existing contract is or contains a lease at the date of initial application and as such the IFRS 16 definition of a lease has only been applied to contracts which were entered into or amended on or after 30 September 2019.

Bermondsey Pub Company Limited

NOTES TO THE ACCOUNTS

At 26 September 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Company elected not to apply the lessee requirements of IFRS 16 to short-term leases and leases for which the underlying asset is of low value. The lease payments for such leases were recognised as an expense on a straight-line basis over the lease term. For all other leases where it is the lessee the Company recognised a lease liability and a right-of-use asset at the commencement date of the lease.

The lease liability was initially measured at the present value of the remaining lease payments at commencement date, discounted using the interest rate implicit in the lease or, if that rate could not be readily determined, the Company's incremental borrowing rate. Generally, the Company used its incremental borrowing rate as the discount rate.

The carrying amount of the lease liability was subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

The lease liability was re-measured when there was a change in future lease payments arising from a change in an index rate or, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

For rent concessions in leases the Company assessed whether there is a lease modification. The lease liability was then re-measured at the present value of the revised lease payments at the modification date, discounted using the interest rate implicit in the lease or, if that rate could be readily determined, the Company's incremental borrowing rate. The change in the present value of the lease liability was accounted for as an increase to the right-of-use asset where it related to a future change, with any element relating to a past payment dated before the modification date accounted for in the income statement.

The Company applied the practical relief for lessees in accounting for eligible rent concessions that are a direct consequence of Covid-19 which resulted in the Company not having to give consideration to concessions provided by Ei Group Limited being a lease modification and therefore they were recognised as variable rent through the income statement.

The right-of-use asset was recognised at an amount equal to the total of the lease liability, any lease payments made at or before the commencement date, any initial direct costs and the estimated future dismantling, removal and site restoration costs. The Company presented right-of-use assets in 'property, plant and equipment', the same line item as it presented underlying assets of the same nature that it owns.

Right-of-use assets included in property, plant and equipment were initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for any re-measurements or modifications of the lease liability.

4. REVENUE

Revenue includes food and drink sales, gaming machine and accommodation income.

All revenue arises in the United Kingdom.

Bermondsey Pub Company Limited

NOTES TO THE ACCOUNTS

At 26 September 2021

5. OTHER INCOME

	52 weeks ended 26 September 2021 £000	52 weeks ended 27 September 2020 £000
Government grants	2,089	2,995
	2,089	2,995

During the period £2,089,000 (2020: £2,855,000) was recognised within other income in relation to the Coronavirus Job Retention Scheme; £nil (2020: £49,000) in relation to the Government's Eat Out To Help Out scheme and £nil (2020: £91,000) was recognised in relation to government grants.

6. OPERATING PROFIT

This is stated after charging:

	52 weeks ended 26 September 2021 £000	52 weeks ended 27 September 2020 £000
Cost of goods sold	496	8,034
Operating lease rentals – rent credits	(444)	(508)
Employment costs	2,793	12,055
Depreciation	623	6,861
Profit on disposal of property, plant and equipment	(1,688)	(144)

7. DIRECTORS' EMOLUMENTS

During the period ended 26 September 2021 the total emoluments payable to directors were £nil (52 weeks ended 27 September 2020: £nil).

For those directors who were employees of Ei Group Limited or are employees of Stonegate Pub Company Limited their roles within the Company are deemed to be incidental to their wider roles within the Group and therefore the Company bears no cost in relation to these directors.

No directors received any pension contributions from the Company.

Bermondsey Pub Company Limited

NOTES TO THE ACCOUNTS

At 26 September 2021

8. STAFF NUMBERS AND COSTS

Staff costs consist of:

	52 weeks ended 26 September 2021 £000	52 weeks ended 27 September 2020 £000
Wages and salaries	2,710	11,235
Social security costs	65	655
Pension costs	18	165
	2,793	12,055

The average number of employees for the period up until all of the sites were transferred out was 684 (52 weeks ended 27 September 2020: 848 engaged in retail operations).

9. TAXATION

a) Analysis of total tax credit recognised in the Income Statement

	52 weeks ended 26 September 2021 £000	52 weeks ended 27 September 2020 £000
Current tax		
UK Corporation tax	40	(1,103)
Adjustment in respect of prior year	16	52
Total current tax	56	(1,051)
Deferred tax		
Origination and reversal of timing differences	203	95
Adjustment in respect of prior years	(16)	
Total deferred tax charge	187	95
Taxation	243	(956)

Bermondsey Pub Company Limited

NOTES TO THE ACCOUNTS

At 26 September 2021

9. TAXATION (CONTINUED)

b) Tax credit reconciliation

	52 weeks ended 26 September 2021 £000	52 weeks ended 27 September 2020 £000
Profit/(Loss) before tax	1,274	(5,134)
Profit/(Loss) before tax at 19.0% (2020: 19.0%)	242	(975)
Effects of:		
Prior year under provision	-	52
Expenses not deductible for taxation purposes	1	(13)
Effect of rate change	-	(20)
Taxation	243	(956)

On 24 May 2021, the UK Government substantively enacted the change in the main rate of corporation tax to 25% from 19%. As this change was substantively enacted during the period, deferred taxation has been calculated at that rate.

10. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use asset property £000
Cost	
At 27 September 2020	19,866
Disposals	(19,866)
At 26 September 2021	-
Depreciation	
At 27 September 2020	6,665
Charge for the year	623
Disposals	(7,288)
At 26 September 2021	-
Net book value	
At 26 September 2021	-
At 27 September 2020	13,201

Bermondsey Pub Company Limited

NOTES TO THE ACCOUNTS

At 26 September 2021

11. DEFERRED TAX

The movement in deferred taxation in the period comprises:

	26 September 2021 £000	27 September 2020 £000
Opening	187	-
Movement recognised in the income statement	(187)	(95)
Deferred tax on adoption of IFRS 16	-	282
At the period end	-	187

The amounts of deferred taxation provided in the accounts are as follows:

	26 September 2021 £000	27 September 2020 £000
Temporary differences	187	187
At the period end	187	187

12. INVENTORIES

	26 September 2021 £000	27 September 2020 £000
Goods for resale	-	619
	-	619

The Company consumed £477,000 of inventories during the 52 weeks ended 26 September 2021 (52 weeks ended 27 September 2020: £7,793,000) and charged £nil to the income statement for the write-down of inventories during the period, as a result of Covid-19 (52 weeks ended 27 September 2020: £43,000).

13. RECEIVABLES

	26 September 2021 £000	27 September 2020 £000
Trade debtors	896	-
Other debtors	-	566
Prepayments and accrued income	-	279
	896	845

Bermondsey Pub Company Limited

NOTES TO THE ACCOUNTS

At 26 September 2021

14. TRADE AND OTHER PAYABLES

	26 September 2021 £000	27 September 2020 £000
Trade creditors	-	259
Other creditors	1,259	1,456
Social security and other taxes	461	788
Accruals and deferred income	335	915
Amounts due to group undertakings	10,051	11,424
	12,106	14,842

15. FINANCIAL LIABILITIES

Financial liabilities	26 September 2021 £000	27 September 2020 £000
Current		
Lease liabilities	-	7,452
	-	7,452
Non-current		
Lease liabilities	-	6,379
	-	6,379
Total financial liabilities	-	13,831

16. LEASES

Impacts for the period

The following amounts have been recognised in the Income Statement in relation to leases where the Company is a lessee:

	52 weeks ended 26 September 2021 £000	52 weeks ended 27 September 2020 £000
Leases under IFRS 16		
Interest expense on lease liabilities	58	1,039
Depreciation of right of use assets	623	6,861
Rent concessions recognised during the period	(444)	(508)
	237	7,392

For further information on the carrying value of the underlying class of asset, the disposals during the period and net book value at 26 September 2021 please see note 10.

Bermondsey Pub Company Limited

NOTES TO THE ACCOUNTS

At 26 September 2021

17. SHARE CAPITAL

	26 September 2021		27 September 2020	
	No.	£000	No.	£000
Authorised				
Ordinary shares of £1 each	1	-	1	-
Called up, allotted and fully paid				
Ordinary shares of £1 each	1	-	1	-

Ordinary shares carry no rights to fixed income. Holders of ordinary shares are entitled to vote at meetings.

The Company has one class of ordinary shares which carries no right to fixed income.

18. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned group companies.

19. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Enterprise Managed Investments Limited, a company incorporated in the United Kingdom and registered in England and Wales. The Company's ultimate and controlling parent undertaking is Stonegate Pub Company Topco Sarl, a company incorporated in Luxembourg.

The top UK company which the Company is consolidated into is Stonegate Pub Company PIKCO Holdings Limited. The ultimate controlling parties are various investment funds managed by TDR Capital LLP, a private equity management firm. The business address of TDR Capital LLP is 20 Bentinck Street, London, W1U 2EU.