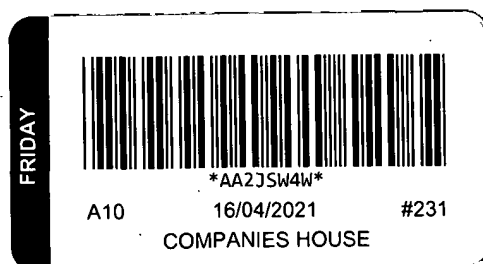


Registered number: 10935753

AT Brady Bidco Limited

Annual report and financial statements

For the Period Ended 30 May 2020



AT Brady Bidco Limited

Company Information

Directors	A Clifford J Clingan N Gray C Jowsey J Kowszun A Pozzi T Ward P Westermann
Company secretary	A G Secretarial Limited
Registered number	10935753
Registered office	Milton Gate 60 Chiswell Street London EC1Y 4AG
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU
Solicitors	Addleshaw Goddard Milton Gate 60 Chiswell Street London EC1Y 4AG

AT Brady Bidco Limited

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AT Brady Bidco Limited

Strategic report For the Period Ended 30 May 2020

Business review

The Company is part of the Admiral Group and a comprehensive trading review for the Group is included in the consolidated accounts of AT Brady Holdings Limited.

The period was significantly impacted by the impact of the Covid-19 pandemic which resulted in the UK Government's mandated closure of all the Group's pubs on 21st of March in response to rising number of COVID19 infections. This resulted in an almost complete loss of income for the Company leading up to the end of the accounting period and severely impacting what would otherwise have been a good performance in the year.

The Company's income comprises a management recharge to fellow group companies and interest income receivable on amounts owed by group undertakings. The Company's costs primarily represent interest payable on amounts owed to group undertakings and the amortisation of finance costs.

On the 16 October 2018 the Admiral Taverns Group placed 7 companies into Members' Voluntary Liquidation as part of simplifying its group structure. As a result of this restructuring, £23,756,000 was charged to the Company's profit and loss account in the prior period.

Exceptional items in the period is a fair value loss on an interest rate cap of £10,000 (2019 - loss £134,000).

Financial key performance indicators

A comprehensive review of the state of affairs of the Group into which the Company is consolidated, including key performance indicators and key risks and uncertainties is contained in the report and financial statements of AT Brady Holdings Limited, the Company's ultimate parent undertaking incorporated in the United Kingdom at the period end.

This report was approved by the board on 14 April 2021 and signed on its behalf.



N Gray
Director

AT Brady Bidco Limited

Directors' report For the Period Ended 30 May 2020

The directors present their report and the financial statements for the period ended 30 May 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Principal activity

The principal activities of the Company are to act as a financing and holding company.

Results and dividends

The loss for the period, after taxation, amounted to £4,094,000 (2019 - loss £33,044,000).

A dividend of £2,300,000 (2019 - £nil) was paid to the Company's parent, AT Brady Holdings Limited, on 3 September 2019.

AT Brady Bidco Limited

Directors' report (continued) For the Period Ended 30 May 2020

Directors

The directors who served during the period were:

A Clifford
J Clingan
K Georgel (resigned 1 September 2019)
N Gray (appointed 2 March 2020)
C Jowsey (appointed 15 July 2019)
J Kowszun (appointed 20 January 2020)
G Pearson (resigned 31 March 2020)
A Pozzi
T Ward
P Westermann

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern

The Company is a member of the Admiral Taverns group of companies (the Group). A full list of the Group can be found in the accounts of AT Brady Holdings Limited as referred to in note 22. The Company has a cross guarantee arrangement in relation to the Group's financing and therefore the Group position is relevant.

In assessing Going Concern the Directors have considered the limiting factors that may prevent them from supporting a going concern assumption for the Group. These are:

- Insufficient cash resources to pay creditors as and when they become due; and
- An inability to meet certain financial covenants (the Leverage Test) in the Group's amended loan facilities agreement with ICG, which could lead to an event of default which would trigger a demand for repayment of the Facility.

Cash Resources

As at 14 April 2021 the Group had £10.6m of free cash. The pub estate has been largely closed since early November and much of the working capital in the Group has been unwound – with creditors liabilities being met in full as they fall due. The cash requirements of the Group, supported by the large freehold asset base, have been reduced to minimal levels and supported by the UK Governments Coronavirus Job Retention Scheme. Alongside ongoing staff wages, interest costs of approximately £3m per quarter are the largest cash requirements.

The Directors have considered two scenarios, with pubs resuming trading in April and June followed by a rapid ramp up in trade over three months to near pre-COVID levels. This assumption is supported by trading levels in July-September 2020 where a similar recovery in trading was seen after the first lockdown in the UK. Under both these scenarios the Company and Group have sufficient cash resources over the coming twelve months. In the event of a longer closure the Directors continue to explore additional contingency measures to further reduce the Group's monthly cash requirement and will, in any event, realise further cash from planned property disposals of freehold assets.

AT Brady Bidco Limited

Directors' report (continued) For the Period Ended 30 May 2020

Leverage Test

The Leverage Test (a quarterly covenant test of the ratio of net debt to EBITDA over the preceding 12 month period) was amended by the Group's lender in May 2020 to give the Group additional headroom due to the impact of the Pandemic on trading. The revised levels were based upon a recovery business plan which, at the time, anticipated trading restrictions being lifted in July 2020 followed by a return to pre-COVID19 trading levels.

In the event trading rapidly bounced back to pre-COVID19 levels over the period from July to September 2020, before new unforeseen trading restrictions were introduced in October 2020 leading up to the complete closure of the pub estate again in December 2020.

Under the modelled scenarios the Group would be unable to meet the May, August and November 2021 covenant tests. The Directors have engaged with the Group's lender, Intermediate Capital Group ("ICG") who have advised that come the appropriate time, when the restrictions on pubs become clearer, they stand by ready to discuss further amendments to the Leverage Test to support the successful reopening and ongoing trading of the Group.

Conclusion

In light of the above analysis and supported by the Group's large freehold asset base, but accepting the fundamental and material uncertainty presented by the Pandemic, the Directors have concluded that sufficient resources exist for the Group to meet its liabilities as they fall due for the twelve months from the date of approval of the accounts. Accordingly, they continue to adopt the going concern basis in preparing these financial statements. Further information can be found in note 2.2 to these accounts.

Auditor

Ernst & Young LLP have resigned as auditors and BDO LLP have been appointed to fill the vacancy following a tender process.

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14 April 2021 and signed on its behalf.



N Gray
Director

Independent auditor's report to the members of AT Brady Bidco Limited

Opinion

We have audited the financial statements of AT Brady Bidco Limited (the 'Company') for the period ended 30 May 2020, which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 May 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.2 to the financial statements, which indicates that the Company is reliant on the financial support of other entities within its Group headed by AT Brady Holdings Limited ("the Group"). The Group is reliant on agreeing and meeting revised covenants with its primary lenders to enable them to continue as a going concern. The failure to do this would require the Group to seek alternative financial support, which may not be achievable. As stated in note 2.2 to the financial statements these events or conditions, along with the other matters as set out in note 2.2, indicate that a material uncertainty exists that 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent auditor's report to the members of AT Brady Bidco Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the 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 2, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Independent auditor's report to the members of AT Brady Bidco Limited (continued)

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.



Mark RA Edwards (Senior statutory auditor)

for and on behalf of

BDO LLP (Statutory auditor)

55 Baker Street
London
W1U 7EU

14 April 2021

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

AT Brady Bidco Limited

**Profit and loss account
For the Period Ended 30 May 2020**

		Period ended 30 May 2020 £000	Period ended 1 June 2019 £000
	Note		
Turnover	4	100	100
Gross profit		<u>100</u>	<u>100</u>
Exceptional administrative income/(expenses)	12	633	(24,389)
Operating profit/(loss)		<u>733</u>	<u>(24,289)</u>
Interest receivable and similar income	8	8,064	1,301
Interest payable and similar expenses	9	(12,881)	(9,922)
Exceptional items	12	(10)	(134)
Loss before tax		<u>(4,094)</u>	<u>(33,044)</u>
Tax on loss	10	-	-
Loss for the financial period		<u><u>(4,094)</u></u>	<u><u>(33,044)</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 11 to 23 form part of these financial statements.

AT Brady Bidco Limited
Registered number: 10935753

Balance sheet
As at 30 May 2020

	Note	30 May 2020 £000	1 June 2019 £000
Fixed assets			
Investments	13	140,361	140,361
		<u>140,361</u>	<u>140,361</u>
Current assets			
Debtors: amounts falling due within one year	14	195,751	118,675
Cash at bank and in hand	15	385	951
		<u>196,136</u>	<u>119,626</u>
Creditors: amounts falling due within one year	16	(22,084)	(2,176)
Net current assets		<u>174,052</u>	<u>117,450</u>
Total assets less current liabilities		<u>314,413</u>	<u>257,811</u>
Creditors: amounts falling due after more than one year	17	(206,768)	(143,772)
Net assets		<u><u>107,645</u></u>	<u><u>114,039</u></u>
Capital and reserves			
Called up share capital	20	8	8
Share premium account		80,248	80,248
Revaluation reserve		67,802	67,802
Profit and loss account		(40,413)	(34,019)
		<u>107,645</u>	<u>114,039</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 April 2021.



N Gray
Director

The notes on pages 11 to 23 form part of these financial statements.

AT Brady Bidco Limited

**Statement of changes in equity
For the Period Ended 30 May 2020**

	Called up share capital £000	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 3 June 2018	8	80,248	-	(975)	79,281
Comprehensive income for the period					
Loss for the period	-	-	-	(33,044)	(33,044)
Fair value of investment	-	-	67,802	-	67,802
Total comprehensive income for the period	-	-	67,802	(33,044)	34,758
At 2 June 2019	8	80,248	67,802	(34,019)	114,039
Comprehensive income for the period					
Loss for the period	-	-	-	(4,094)	(4,094)
Dividends	-	-	-	(2,300)	(2,300)
At 30 May 2020	8	80,248	67,802	(40,413)	107,645

The notes on pages 11 to 23 form part of these financial statements.

On the 16 October 2018 the Admiral Taverns Group placed 7 companies into Members' Voluntary Liquidation as part of simplifying its group structure. As a result of this restructuring there was a fair value uplift to investments held by the Company of £67,802,000 in the period.

AT Brady Bidco Limited

Notes to the financial statements For the Period Ended 30 May 2020

1. General information

AT Brady Bidco Limited is a limited liability company incorporated in England. The Registered Office is Milton Gate, 60 Chiswell Street, London, EC1Y 4AG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Going concern

The Company is a member of the Admiral Taverns group of companies (the Group). A full list of the Group can be found in the consolidated accounts of AT Brady Holdings Limited as referred to in note 22. The Company has a cross guarantee arrangement in relation to the Group's financing and therefore the Group position is relevant.

In assessing Going Concern the Directors have considered the limiting factors that may prevent them from supporting a going concern assumption for the Group. These are:

- Insufficient cash resources to pay creditors as and when they become due; and
- An inability to meet certain financial covenants (the Leverage Test) in the Group's amended loan facilities agreement with ICG, which could lead to an event of default which could trigger a demand for repayment of the Facility.

Cash Resources

As at 14 April 2021 the Group had £10.6m of free cash. The pub estate has been largely closed since early November and much of the working capital in the Group has been unwound – with creditors liabilities being met in full as they fall due. The cash requirements of the Group, supported by the large freehold asset base, have been reduced to minimal levels and supported by the UK Governments Coronavirus Job Retention Scheme. Alongside ongoing staff wages, interest costs of approximately £3m per quarter are the largest cash requirements.

The Directors have considered two scenarios, with pubs resuming trading in April and June followed by a rapid ramp up in trade over three months to near pre-COVID levels. This assumption is supported by trading levels in July-September 2020 where a similar recovery in trading was seen after the first lockdown in the UK. Under both these scenarios the Company and Group have sufficient cash resources over the coming twelve months. In the event of a longer closure the Directors continue to explore additional contingency measures to further reduce the Group's monthly cash requirement and will, in any event, realise further cash from planned property disposals of freehold assets.

**Notes to the financial statements
For the Period Ended 30 May 2020**

2. Accounting policies (continued)

2.2 Going concern (continued)

Leverage Test

The Leverage Test (a quarterly covenant test of the ratio of net debt to EBITDA over the preceding 12 month period) was amended by the Group's lender in May 2020 to give the Group additional headroom due to the impact of the Pandemic on trading. The revised levels were based upon a recovery business plan which, at the time, anticipated trading restrictions being lifted in July 2020 followed by a return to pre-COVID19 trading levels. In the event trading rapidly bounced back to pre-COVID19 levels over the period from July to September 2020, before new unforeseen trading restrictions were introduced in October 2020 leading up to the complete closure of the pub estate again in December 2020.

Under the modelled scenarios the Group would be unable to meet the May, August and November 2021 covenant tests. The Directors have engaged with the Group's lender, Intermediate Capital Group ("ICG") who have advised that come the appropriate time, when the restrictions on pubs become clearer, they stand by ready to discuss further amendments to the Leverage Test to support the successful reopening and ongoing trading of the Group. The failure to do this would require the Group to seek alternative financial support.

Conclusion

The COVID Pandemic has presented a material uncertainty that may cast significant doubt on the company and Group's ability to continue as a going concern, and that the Group may not be able to continue in operation and realise its assets and discharge its liabilities in the normal course of business, if a future agreement cannot be reached with the Group's lenders. The Directors of the Parent Company have had constructive conversations with ICG and agreed that amendments may be made to the Leverage Test when there is greater visibility of trading patterns. In light of the above analysis and supported by the Group's large freehold asset base, but accepting the fundamental and material uncertainty presented by the Pandemic, the Directors have concluded that sufficient resources exist for the Group and hence the company to continue in operation and meet its liabilities as they fall due for the twelve months from the date of approval of the accounts. Accordingly, they continue to adopt the going concern basis in preparing these financial statements. The financial statements do not include any adjustments that would be required if the company were unable to continue as a going concern.

2.3 Cash flow

The Company, being a qualifying entity which has been included in the Group's consolidated financial statements that are publicly available, is exempt from the requirement to draw up a cash flow statement under FRS102.

**Notes to the financial statements
For the Period Ended 30 May 2020**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**Notes to the financial statements
For the Period Ended 30 May 2020**

2. Accounting policies (continued)

2.8 Current and deferred taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Exceptional and non-underlying items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.10 Valuation of investments

Investments in subsidiaries are initially recorded at cost, including directly attributable costs, plus the directors' assessment of the fair value of any deferred consideration. Subsequently, deferred consideration is revised to reflect actual amounts payable.

Investments in subsidiaries are reviewed for impairment in the event that there are any indicators of impairment.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements
For the Period Ended 30 May 2020

2. Accounting policies (continued)

2.14 Financial instruments

The Company uses an interest rate cap to adjust interest rate exposures. The cap is initially recognised at fair value on the date a derivative contract is entered into and is subsequently revalued to fair value and shown on the balance sheet at the year end with movements in fair value reflected through the profit and loss account.

2.15 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and key sources of estimation uncertainty in the financial statements:

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Derivative instruments

The group uses interest rate cap to adjust interest rate exposures.

Derivative financial instruments are measured at fair value. The fair value of interest rate cap contracts are determined by calculating by appropriately qualified external valuer.

4. Turnover

An analysis of turnover by class of business is as follows:

	Period ended 30 May 2020 £000	Period ended 1 June 2019 £000
Management fee income	100	100
	<u>100</u>	<u>100</u>

All turnover arose within the United Kingdom.

AT Brady Bidco Limited

Notes to the financial statements For the Period Ended 30 May 2020

5. Auditor's remuneration

	Period ended 30 May 2020 £000	Period ended 1 June 2019 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5	5

The total audit fee for the AT Brady Holdings Limited group of companies of £173,000 (2019 - £149,000) has been charged to and paid by Admiral Taverns (Chester) Limited, a fellow group company. Group tax fees of £nil (2019 - £58,000) has been charged to and paid by Admiral Taverns (Chester) Limited.

6. Employees

All staff are employed and remunerated by Admiral Taverns (Chester) Limited, a fellow group company.

7. Directors' remuneration

The directors were paid in respect of their services to the group as a whole by a fellow group company, Admiral Taverns (Chester) Ltd, £1,360,000 (2019 - £1,254,000).

8. Interest receivable and similar income

	Period ended 30 May 2020 £000	Period ended 1 June 2019 £000
Interest receivable from group undertakings	8,064	1,292
Other interest receivable	-	9
	<u>8,064</u>	<u>1,301</u>

9. Interest payable and similar expenses

	Period ended 30 May 2020 £000	Period ended 1 June 2019 £000
Bank interest payable	10,987	9,157
Amortisation of finance costs	1,036	765
Interest payable to group undertakings	858	-
	<u>12,881</u>	<u>9,922</u>

**Notes to the financial statements
For the Period Ended 30 May 2020**

10. Taxation

	Period ended 30 May 2020 £000	Period ended 1 June 2019 £000
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax credit for the period

The tax assessed for the period is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	Period ended 30 May 2020 £000	Period ended 1 June 2019 £000
Loss on ordinary activities before tax	(4,094)	(33,044)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(778)	(6,278)
Effects of:		
(Income)/expenses not deductible for tax purposes	(120)	4,633
Group relief	898	1,165
Intergroup interest income imputed for tax purposes	-	480
Total tax charge for the period	-	-

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK has not changed since 1 April 2017 and is currently 19%. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 19%. The reduction of the main rate of corporation tax from 19% to 17% from 1 April 2020 was announced in the Summer Finance Bill 2016, which was substantively enacted on 6 September 2016.

At Budget 2020, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%.

Any future profits will be taxed at the appropriate rate. Deferred tax as at 30 May 2020 has been calculated at 19%; being the substantively enacted rate at which the deferred tax is expected to reverse.

AT Brady Bidco Limited

Notes to the financial statements For the Period Ended 30 May 2020

11. Dividends

	Period ended 30 May 2020 £000	Period ended 1 June 2019 £000
Dividends	2,300	-
	<u>2,300</u>	<u>-</u>

12. Exceptional and non-underlying items

	Period ended 30 May 2020 £000	Period ended 1 June 2019 £000
Group restructuring	-	23,756
Provision for recovery of amounts owed by group undertakings	(633)	633
	<u>(633)</u>	<u>24,389</u>
Other exceptional items below operating profit		
Gain on fair value of interest rate cap	10	134
	<u>(623)</u>	<u>24,523</u>

The recoverability of amounts owed by group undertakings has been assessed against the net assets of the individual companies on a group basis. Provisions for recovery have been made across the group for those debtors where the group undertaking has negative net asset values at 30 May 2020.

On the 16 October 2018 the Admiral Taverns Group placed 7 companies into Members' Voluntary Liquidation as part of simplifying its group structure. As a result of this restructuring, £23,756,000 was charged to the Company's profit and loss account in the prior period.

The Company uses an interest rate cap to adjust interest rate exposures. The interest rate cap was revalued to fair value and shown on the Balance sheet at the year end with movements in fair value reflected through the Profit and loss account. The movement in the current period was a loss of £10,000 (2019 - loss £134,000).

AT Brady Bidco Limited

Notes to the financial statements For the Period Ended 30 May 2020

13. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 2 June 2019	140,361
At 30 May 2020	<u>140,361</u>

The Company has fully impaired its investments in subsidiary undertakings in prior periods.

Details of the investments in which the Company (unless indicated) holds 20% or more of the nominal value of any class of share are as follows:

Name	Class of share	Principal activity
Admiral Taverns (Chester) Limited*	Ordinary	Management company
Admiral Taverns (Relax) Limited*	Ordinary	Pub company
Admiral Taverns (Portfolio No 2) Limited*	Ordinary	Pub company
Admiral Taverns Limited*	Ordinary	Pub company
Admiral Taverns (Harmony) Limited*	Ordinary	Pub company
Admiral Taverns (780) Limited*	Ordinary	Pub company
Admiral Taverns (Max) Limited*	Ordinary	Holding company
Admiral Taverns Nevada Properties Limited*	Ordinary	Pub company
Admiral Taverns Piccadilly Limited*	Ordinary	Pub company
Pub Partnership Acquisitions Limited*	Ordinary	Pub company
Admiral Taverns Bidco Limited	Ordinary	Holding company

The above entities are unlisted, 100% holdings and incorporated in the United Kingdom with registered addresses of Milton Gate, 60 Chiswell Street, London, EC1Y 4AG.

* Indirectly held investment

14. Debtors

	30 May 2020 £000	1 June 2019 £000
Amounts owed by group undertakings	195,675	118,472
Prepayments and accrued income	76	193
Financial instruments	-	10
	<u>195,751</u>	<u>118,675</u>

AT Brady Bidco Limited**Notes to the financial statements
For the Period Ended 30 May 2020****15. Cash and cash equivalents**

	30 May 2020 £000	1 June 2019 £000
Cash at bank and in hand	385	951
	<u>385</u>	<u>951</u>

16. Creditors: Amounts falling due within one year

	30 May 2020 £000	1 June 2019 £000
Amounts owed to group undertakings	19,099	-
Accruals and deferred income	2,985	2,176
	<u>22,084</u>	<u>2,176</u>

17. Creditors: Amounts falling due after more than one year

	30 May 2020 £000	1 June 2019 £000
Bank loans	206,768	143,772
	<u>206,768</u>	<u>143,772</u>

The third-party debt from Intermediate Capital Group plc ("ICG") has a term of seven years and the rate of interest is 3 month libor plus an agreed margin. On 22 October 2019 and 22 November 2019 the group increased its debt with ICG by £43,000,000 and £30,000,000 respectively.

**Notes to the financial statements
For the Period Ended 30 May 2020**

18. Loans

Analysis of the maturity of loans is given below:

	30 May 2020 £000	1 June 2019 £000
Amounts falling due 2-5 years		
Bank loans	206,768	-
Amounts falling due after more than 5 years		
Bank loans	-	143,772
	<u>206,768</u>	<u>143,772</u>

Bank loans are made up of the following:

	30 May 2020 £000	1 June 2019 £000
Bank loans	213,882	147,979
Finance costs	(9,297)	(5,355)
Amortisation of finance costs	2,183	1,148
	<u>206,768</u>	<u>143,772</u>

AT Brady Bidco Limited**Notes to the financial statements
For the Period Ended 30 May 2020****19. Financial instruments**

	30 May 2020 £000	1 June 2019 £000
Financial assets		
Cash at bank and in hand	385	961
Financial assets measured at fair value through profit or loss	-	10
Financial assets that are debt instruments measured at amortised cost	195,675	118,472
	<u>196,060</u>	<u>119,443</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(235,967)</u>	<u>(145,948)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, intercompany debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, intercompany creditors, bank loans and accruals.

20. Share capital

	30 May 2020 £000	1 June 2019 £000
Allotted, called up and fully paid		
80,255,941 A1 Ordinary shares shares of £0.0001 each	8	8
	<u>8</u>	<u>8</u>

21. Related party transactions

The Company has taken advantage of the exemption available not to disclose transactions with other wholly owned members of the AT Brady Holdings Limited group.

There are no other related party transactions requiring disclosure in the financial statements.

**Notes to the financial statements
For the Period Ended 30 May 2020**

22. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is AT Brady Holdings Limited, a company incorporated in the United Kingdom.

The Company's ultimate parent undertaking and controlling party is PSSF Brady (Cayman) Limited, an entity incorporated in the Cayman Islands.

The group financial statements of the AT Brady Holdings Limited group incorporated in the United Kingdom, being the smallest consolidated financial statements including the results of the Company, will be available to the public and may be obtained from the registered office of AT Brady Holdings Limited at Milton Gate, 60 Chiswell Street, London EC1Y 4AG.