

Registered number
00046656

W H Brakspear & Sons Limited

Report and Financial Statements

29 December 2019

W H Brakspear & Sons Limited
Report and accounts
Contents

| | Page |
|-----------------------------------|-------------|
| Company information | 1 |
| Directors' report | 2 |
| Strategic report | 3 - 5 |
| Independent auditor's report | 6 & 7 |
| Income statement | 8 |
| Statement of comprehensive income | 9 |
| Statement of financial position | 10 |
| Statement of changes in equity | 11 |
| Notes to the financial statements | 12 |

W H Brakspear & Sons Limited
Company Information

Directors

M A T Davies

T A T Davies

D G Nathan

Auditors

Begbies

9 Bonhill Street

London

EC2A 4DJ

Registered number

00046656

W H Brakspear & Sons Limited

Registered number: 00046656

Directors' Report

The directors present their report and financial statements for the period ended 29 December 2019.

Principal activities

The company's principal activity is the ownership and management of public houses and inns and the sale of beers, wines, spirits and soft drinks primarily through its licensed property estate.

Directors

The following persons served as directors during the period:

M A T Davies

T A T Davies

D G Nathan

Directors' responsibilities

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

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

This report was approved by the board on 8 September 2020 and signed on its behalf.

D G Nathan
Director

W H Brakspear & Sons Limited

STRATEGIC REPORT

I am pleased to report that our company delivered a strong set of results for the 52 weeks ended 29 December 2019, delivering record profitability.

TRADING REVIEW

Key performance indicators:

| | 2018 | | 2018 | 2017 | Movement | | 2018 |
|-----------------------------------|--------|-----------|--------|--------|-----------|------|------|
| | 2019 | Adjusted* | | | 2019 | 2019 | |
| | £000's | £000's | £000's | £000's | Adjusted* | | |
| Turnover | 35,306 | 31,816 | 24,163 | 14,785 | +11% | +46% | +63% |
| Operating Profit | 6,700 | 6,027 | 4,840 | 3,306 | +11% | +38% | +45% |
| EBITDA (before exceptional items) | 9,981 | 8,716 | 7,399 | 5,415 | +15% | +35% | +37% |
| Cash | 6,278 | 4,774 | 4,774 | 4,246 | +32% | +32% | +12% |

*adjusted to reflect 52 weeks of combined WH Brakspear & Sons Limited 2018 performance

Turnover in 2019 was £35.3m up 46% versus 2018 (+11% versus 2018 adjusted turnover). The increase versus adjusted turnover results from managed house turnover growth of £3.5m supported by the acquisition of two sites during the year, and a pub transferred into our managed estate from our leased and tenanted division.

EBITDA for the year showed a healthy increase resulting from the improved trading and operational efficiency within our managed house division.

Cash reserves of £6.3m represent an increase of £1.5m versus the prior year, after capital expenditure of £8.8m. During the year we added the Nags Head, Abingdon and the Golden Ball, Maidenhead to our managed estate alongside significant refurbishments at the Little Angel, Henley and the Running Horses, Dorking. We also invested £2.0m in our unlicensed property estate.

Our continued focus on the long-term sustainability of our pub estate saw the Eastbrook in Dagenham sold during the year.

Principal Risks and Uncertainties

The Directors regularly review the principal risks and uncertainties facing the Company and discuss them as part of regular Board Meetings. The main risks associated with the Company's financial assets and liabilities are as follows:

Economic Risk

A number of economic factors are considered to create uncertainty across our Company and the wider pub sector.

Rising costs including business rates, wage inflation and government taxation policy have over recent years affected financial performance. The continuing rise in such costs impact our operating margins.

The impact of Brexit is unknown and the uncertainty is considered a risk to consumer confidence and our ability to staff our pubs.

Credit Risk

In order to minimise credit risk relating from a tenant or lessee partner failing to meet their obligations, checks are carried out to establish credit worthiness and business awareness prior to deferred terms or a tenancy /lease being granted

Liquidity Risk

The Company minimises liquidity risk by tight control over cash collection and managing the cash and borrowing position against short-term and medium-term forecasts.

Operational Risks

The most pertinent operational risk is attracting, retaining and developing high-quality pub operators and employees that are essential for the successful operation of the pubs in our estate. Training, recruitment, retention and reward are areas that the Directors and management teams review regularly.

Covid Risk

Not considered a risk until early 2020, the onset of the Covid-19 virus has significantly impacted our business operations and performance.

The uncertainty created by the Covid situation, including the continuing risk of site closures have affected our ability to predict turnover levels, manage the consistent collection of rental income and to manage our operating margins.

The Company has introduced Covid safe working practices at its managed pubs, provided Covid support mechanisms for all tenants and lessees, increased information technology systems and capability, and implemented off-site working for all head office staff.

The Company continues to work closely and openly with tenants, lessees, pub management teams, supply chain partners and the Company's bankers to ensure the impact of Covid is minimised.

Employee Engagement

Employee numbers have increased in line with our business growth and pub acquisitions. During the year we welcomed an additional 46 employees reflecting a 15% increase (2018: 83 employees, 37%).

The Company encourages employee loyalty and commitment through regular communication meetings and open access to senior management, as well as various reward programmes.

Employees are provided with personal development opportunity through on-line and face to face training and regular appraisal discussions.

Disabled Employees

The Company's policy is to give full and fair consideration to applications for employment by disabled persons and to continuing the employment, with appropriate training, of those team members who become disabled whilst working within the Company.

Business Relationships

The Company's key relationship is with pub tenant and lessee partners. To ensure this relationship is maintained and improved we offer dedicated business support through an experienced Business Development Manager, centrally based marketing support, a range of tenancy agreements, training programmes, and the Company continues to invest in the tenanted and leased property estate.

Post Reporting Date Events

The Covid-19 pandemic and associated Government response has caused significant disruption to the Company. All tenanted, leased and managed pubs, restaurants and inns were closed from mid-March to the beginning of July 2020. This unprecedented set of circumstances outside of the Directors control, resulted in zero cash inflows and large cash outflows as the Company settled its trade creditor accounts, met all other liabilities while also maintaining the estate of properties.

During this time the company benefitted from the Coronavirus Job Retention Scheme and delayed one payment of VAT.

To mitigate the risks associated with the uncertainty presented by Covid-19, the company secured a Coronavirus Business Interruption Loan Scheme (CBILS) amount of £5m in May 2020. In addition, the Company has restructured its Head Office team and reduced cost budgets, closed the micro-brewery and implemented operational efficiencies across the managed house portfolio.

The Directors have received support from the company's bankers in the form of waived banking covenants and a capital repayment holiday for two quarterly repayment dates.

The Company has supported and continues its efforts to support tenant and lessee partners with Covid advice, business support and discounted rent.

As a result of the above actions, support from the Company bankers and continued strict working capital management, the Directors are of the opinion that they should continue to adopt the going concern basis in preparing the financial statements for the year ended 29 December 2019.

Future Developments

The outlook for 2020 has changed since the onset of Covid-19 virus and the company has revitalised its focus on delivering maximum returns through operational efficiency and by supporting our pub operators to navigate the challenges presented by rapidly changing Government policy, social trends and consumer behaviour.

The Company will continue to maintain and develop the existing property estate to ensure a long-term sustainable portfolio of high-quality pubs, restaurants and inns.

This report was approved by the board on 8 September 2020 and signed on its behalf.

D G Nathan
Director

W H Brakspear & Sons Limited

Independent auditor's report

to the members of W H Brakspear & Sons Limited

Opinion

We have audited the financial statements of W H Brakspear & Sons Limited for the period ended 29 December 2019 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the 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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial 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; or

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 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.

Christopher Pexton
(Senior Statutory Auditor)
for and on behalf of
Begbies
Accountants and Statutory Auditors

9 Bonhill Street
London
EC2A 4DJ

8 September 2020

W H Brakspear & Sons Limited**Income Statement****for the period from 31 December 2018 to 29 December 2019**

| | | 52 weeks ended 29 December 2019 £ | 52 weeks ended 30 December 2018 £ |
|--|--------------|--|--|
| | Notes | | |
| Turnover | 3 | 35,305,076 | 24,163,491 |
| Cost of sales | | (21,901,430) | (14,094,428) |
| Gross profit | | <u>13,403,646</u> | <u>10,069,063</u> |
| Administrative expenses | | (6,844,867) | (5,377,652) |
| Other operating income | | 140,944 | 148,798 |
| Operating profit | 4 | <u>6,699,723</u> | <u>4,840,209</u> |
| Profit on sale of fixed assets | | 607,976 | 34,526 |
| Interest receivable | | 7,711 | 4,245 |
| Profit on ordinary activities before taxation | | <u>7,315,410</u> | <u>4,878,980</u> |
| Tax on profit on ordinary activities | 7 | (1,650,257) | (1,014,300) |
| Profit for the period | | <u><u>5,665,153</u></u> | <u><u>3,864,680</u></u> |

W H Brakspear & Sons Limited

Statement of comprehensive income

for the period from 31 December 2018 to 29 December 2019

| | Notes | 2019 | 2018 |
|--|--------------|------------------|------------------|
| | | £ | £ |
| Profit for the period | | 5,665,153 | 3,864,680 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the period | | <u>5,665,153</u> | <u>3,864,680</u> |

W H Brakspear & Sons Limited
Statement of Financial Position
as at 29 December 2019

| | Notes | 29 December 2019 £ | 30 December 2018 £ |
|---|-------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 8 | 80,995,595 | 75,949,299 |
| Current assets | | | |
| Stocks | 9 | 938,052 | 789,408 |
| Debtors | 10 | 2,250,583 | 5,561,617 |
| Cash at bank and in hand | | 6,278,671 | 4,773,877 |
| | | <u>9,467,306</u> | <u>11,124,902</u> |
| Creditors: amounts falling due within one year | 11 | (55,295,370) | (56,674,652) |
| Net current liabilities | | <u>(45,828,064)</u> | <u>(45,549,750)</u> |
| Total assets less current liabilities | | <u>35,167,531</u> | <u>30,399,549</u> |
| Provisions for liabilities | | | |
| Deferred taxation | 12 | <u>(1,953,759)</u> | <u>(1,850,930)</u> |
| Net assets | | <u>33,213,772</u> | <u>28,548,619</u> |
| Capital and reserves | | | |
| Called up share capital | 13 | 2,885,898 | 2,885,898 |
| Share premium | 14 | 1,338,313 | 1,338,313 |
| Capital redemption reserve | 15 | 532,389 | 532,389 |
| Profit and loss account | 16 | 28,457,172 | 23,792,019 |
| Total equity | | <u>33,213,772</u> | <u>28,548,619</u> |

M A T Davies

Director

Approved by the board on 8 September 2020

W H Brakspear & Sons Limited**Statement of Changes in Equity****for the period from 31 December 2018 to 29 December 2019**

| | Share capital | Share premium | Capital redemption | Profit and loss account | Total |
|----------------------------|--------------------------|--------------------------|-------------------------------|--|-------------------|
| | £ | £ | £ | £ | £ |
| At 1 January 2018 | 2,885,898 | 1,338,313 | 532,389 | 54,418,866 | 59,175,466 |
| Profit for the period | - | - | - | 3,864,680 | 3,864,680 |
| Dividends | - | - | - | (1,000,000) | (1,000,000) |
| At 30 December 2018 | <u>2,885,898</u> | <u>1,338,313</u> | <u>532,389</u> | <u>23,792,019</u> | <u>28,548,619</u> |
| At 31 December 2018 | 2,885,898 | 1,338,313 | 532,389 | 23,792,019 | 28,548,619 |
| Profit for the period | - | - | - | 5,665,153 | 5,665,153 |
| Dividends | | | | (1,000,000) | (1,000,000) |
| At 29 December 2019 | <u>2,885,898</u> | <u>1,338,313</u> | <u>532,389</u> | <u>28,457,172</u> | <u>33,213,772</u> |

Included in profit & loss account is an amount of £11,115,495 which is an unrealised reserve and not available for distribution.

W H Brakspear & Sons Limited

Notes to the Accounts

for the period from 31 December 2018 to 29 December 2019

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover represents the amounts derived from sales,rent receivable and other trading income and is stated net of value added tax.

In the opinion of the directors, the company's principal continuing activities constitute one reportable segment and all income and profits are derived in the United Kingdom.

Tangible fixed assets

Licensed properties are carried in the accounts at their valuation as at December 1996 with subsequent additions at cost,less accumulated depreciation.

Investment properties are measured at fair value. Gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Other tangible fixed assets are carried at cost less accumulated depreciation.

Depreciation

Freehold land is not depreciated

Depreciation on other assets is calculated so as to write off the cost or valuation of an asset, less its estimated residual value, over the estimated useful economic life of that asset as follows:

| | |
|------------------------------|---|
| Freehold buildings | over 50 years |
| Leasehold land and buildings | over the shorter of the lease term and 20 years |
| Plant and machinery | over 2-10 years |

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Summary of significant accounting policies (continued)

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and

past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

Cash flow statement

The directors have taken advantage of the exemption in FRS 102 1.11 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement, obtainable from the registered office.

2 Critical accounting estimates and judgements

The company reviews the residual values, estimated useful lives and depreciation rates of its tangible fixed assets at each reporting date to identify where any evidence of significant change exists since the last reporting date.

| | | |
|---|-------------------|-------------------|
| 3 Analysis of turnover | 2019 | 2018 |
| | £ | £ |
| Sales, rent receivable and other trading income | <u>35,305,076</u> | <u>24,163,491</u> |
| By geographical market: | | |
| UK | <u>35,305,076</u> | <u>24,163,491</u> |
| 4 Operating profit | 2019 | 2018 |
| | £ | £ |
| This is stated after charging: | | |
| Depreciation of owned fixed assets | 3,281,945 | 2,558,859 |
| Auditors' remuneration for audit services | 42,000 | 38,000 |
| Auditors' remuneration for other services | 7,000 | 7,000 |
| Operating lease rentals - land and buildings | <u>137,542</u> | <u>110,000</u> |
| 5 Directors' emoluments | 2019 | 2018 |
| | £ | £ |
| Emoluments | 726,360 | 696,083 |
| Company contributions to defined contribution pension plans | 10,000 | 10,000 |
| | <u>736,360</u> | <u>706,083</u> |
| Highest paid director: | | |
| Emoluments | <u>378,335</u> | <u>365,227</u> |
| Number of directors to whom retirement benefits accrued: | 2019 | 2018 |
| | Number | Number |
| Defined contribution plans | <u>1</u> | <u>1</u> |
| 6 Staff costs | 2019 | 2018 |
| | £ | £ |
| Wages and salaries | 7,365,632 | 3,959,347 |
| Social security costs | 641,153 | 352,817 |
| Other pension costs | 193,400 | 99,222 |
| | <u>8,200,185</u> | <u>4,411,386</u> |

Staff costs (continued)

| | | |
|--|---------------|---------------|
| Average number of employees during the year | Number | Number |
|--|---------------|---------------|

| | | |
|-----------------------|------------|------------|
| Retail operations | 318 | 275 |
| Administration | 23 | 22 |
| Operations management | 8 | 7 |
| Property maintenance | 5 | 4 |
| | <u>354</u> | <u>308</u> |

7 Taxation

2019 **2018**

£ **£**

Analysis of charge in period

Current tax:

| | | |
|---|------------------|------------------|
| UK corporation tax on profits of the period | <u>1,547,428</u> | <u>1,235,016</u> |
|---|------------------|------------------|

Deferred tax:

| | | |
|--|----------------|------------------|
| Origination and reversal of timing differences | <u>102,829</u> | <u>(220,716)</u> |
|--|----------------|------------------|

Tax on profit on ordinary activities

| | |
|------------------|------------------|
| <u>1,650,257</u> | <u>1,014,300</u> |
|------------------|------------------|

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

| | 2019 | 2018 |
|--|------------------|------------------|
| | £ | £ |
| Profit on ordinary activities before tax | <u>7,315,410</u> | <u>4,878,980</u> |
| Standard rate of corporation tax in the UK | 19% | 19% |
| | £ | £ |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | 1,389,928 | 927,006 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 375 | 114,082 |
| Depreciation for period in excess of capital allowances | 272,545 | 189,442 |
| Indexation allowance and rollover relief | (115,515) | (176,481) |
| Other timing adjustments | 95 | 67,292 |
| Current tax charge for period | <u>1,547,428</u> | <u>1,235,016</u> |

8 Tangible fixed assets

Freehold Freehold and

| | investment properties | leasehold properties | Plant and machinery | Total |
|--------------------------|--------------------------|-------------------------|------------------------|--------------------|
| | £ | £ | £ | £ |
| Cost or valuation | | | | |
| At 31 December 2018 | 3,422,425 | 77,247,704 | 11,911,444 | 92,581,573 |
| Additions | 2,649,943 | 4,699,706 | 1,362,759 | 8,712,408 |
| Re-classification | (634,580) | 634,580 | - | - |
| Disposals | (29,167) | (429,267) | (207,486) | (665,920) |
| At 29 December 2019 | <u>5,408,621</u> | <u>82,152,723</u> | <u>13,066,717</u> | <u>100,628,061</u> |
| Depreciation | | | | |
| At 31 December 2018 | 36,062 | 8,865,348 | 7,730,864 | 16,632,274 |
| Charge for the period | 46,183 | 1,845,615 | 1,390,147 | 3,281,945 |
| Re-classification | (42,999) | 42,999 | - | - |
| On disposals | - | (122,873) | (158,880) | (281,753) |
| At 29 December 2019 | <u>39,246</u> | <u>10,631,089</u> | <u>8,962,131</u> | <u>19,632,466</u> |
| Carrying amount | | | | |
| At 29 December 2019 | <u>5,369,375</u> | <u>71,521,634</u> | <u>4,104,586</u> | <u>80,995,595</u> |
| At 30 December 2018 | <u>3,386,363</u> | <u>68,382,356</u> | <u>4,180,580</u> | <u>75,949,299</u> |

Freehold investment properties were revalued at 31 December 2015 by locally based independent valuers Deriaz Slater - chartered surveyors and commercial property consultants.

The basis of valuation is market value which is equivalent to fair value.

The carrying value of properties at cost less depreciation is £65,775,514.

| | | |
|---|------------------|------------------|
| 9 Stocks | 2019 | 2018 |
| | £ | £ |
| Finished goods and goods for resale | <u>938,052</u> | <u>789,408</u> |
| 10 Debtors | 2019 | 2018 |
| | £ | £ |
| Trade debtors | 438,151 | 291,596 |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 1,258,322 | 4,808,454 |
| Prepayments and accrued income | <u>554,110</u> | <u>461,567</u> |
| | <u>2,250,583</u> | <u>5,561,617</u> |
| 11 Creditors: amounts falling due within one year | 2019 | 2018 |
| | £ | £ |
| Trade creditors | 3,645,552 | 2,501,916 |

| | | | | |
|---|----------------|---------------|-------------------|-------------------|
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | | | 47,859,778 | 50,447,495 |
| Corporation tax | | | 545,517 | 756,594 |
| Value added tax | | | 761,860 | 865,526 |
| Other taxes and social security costs | | | 253,418 | 261,041 |
| Accruals and deferred income | | | 1,858,629 | 1,540,627 |
| Other creditors | | | 370,616 | 301,453 |
| | | | <u>55,295,370</u> | <u>56,674,652</u> |
| 12 Deferred taxation | | | 2019 | 2018 |
| | | | £ | £ |
| Property - potential taxation on disposal | | | 793,980 | 793,980 |
| Accelerated capital allowances | | | 1,159,779 | 1,056,950 |
| | | | <u>1,953,759</u> | <u>1,850,930</u> |
| | | | 2019 | 2018 |
| | | | £ | £ |
| At 31 December | | | 1,850,930 | 1,769,804 |
| Charged/(credited) to the profit and loss account | | | 102,829 | (220,716) |
| Transferred from fellow subsidiaries | | | - | 301,842 |
| At 29 December | | | <u>1,953,759</u> | <u>1,850,930</u> |
| 13 Share capital | Nominal | 2019 | 2019 | 2018 |
| | value | Number | £ | £ |
| Allotted, called up and fully paid: | | | | |
| Ordinary shares | £1 each | - | <u>2,885,898</u> | <u>2,885,898</u> |
| 14 Share premium | | | 2019 | 2018 |
| | | | £ | £ |
| At 31 December | | | 1,338,313 | 1,338,313 |
| At 29 December | | | <u>1,338,313</u> | <u>1,338,313</u> |
| 15 Other reserves | | | 2019 | 2018 |
| Capital redemption reserve | | | £ | £ |
| At 31 December | | | 532,389 | 532,389 |
| At 29 December | | | <u>532,389</u> | <u>532,389</u> |
| 16 Profit and loss account | | | 2019 | 2018 |

£ £

| | | |
|------------------------|-------------------|-------------------|
| At 31 December | 23,792,019 | 54,418,866 |
| Profit for the period | 5,665,153 | 3,864,680 |
| Dividends | (1,000,000) | (1,000,000) |
| Distribution in specie | - | (33,491,527) |
| At 29 December | <u>28,457,172</u> | <u>23,792,019</u> |

17 Dividends

2019 2018

£ £

| | | |
|---|----------|-------------------|
| Dividends on equity shares paid during the year | <u>-</u> | <u>33,491,527</u> |
|---|----------|-------------------|

18 Capital commitments

2019 2018

£ £

| | | |
|---|----------------|----------|
| Amounts contracted for but not provided in the accounts | <u>740,000</u> | <u>-</u> |
|---|----------------|----------|

19 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

| | Land and buildings | Land and buildings |
|--------------------|-----------------------|-----------------------|
| | 2019 | 2018 |
| | £ | £ |
| Falling due: | | |
| in over five years | 7,532,000 | 6,298,000 |

20 Contingent liabilities

The company, together with all the other companies within the group has provided a guarantee to Lloyds Bank plc in respect of all monies due to them from all members of the group. As at the balance sheet date, the total amount owed by the group was £38,345,955.

21 Related party transactions

The company, as a wholly owned subsidiary, has taken advantage of the exemption contained in FRS 102 and has not disclosed details of transactions or balances with companies which form part of the group.

22 Controlling party

The immediate parent company is J T D Investments Limited and the ultimate parent company is M A T Davies Holdings Limited. The ultimate controlling person is M A T Davies.

23 Presentation currency

The financial statements are presented in Sterling.

24 Legal form of entity and country of incorporation

W H Brakspear & Sons Limited is a private company limited by shares and incorporated in England.

25 Principal place of business

The address of the company's principal place of business and registered office is:

The Bull Courtyard

Bell Street

Henley on Thames

RG9 2BA

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