



HALL & WOODHOUSE

**REPORT AND
ACCOUNTS
2020**



CONTENTS

	<i>Page</i>
Directors and Advisers	2
Notice Convening the Annual General Meeting	3
Results at a Glance	4
Chairman's Statement	5
Strategic Report	6
Directors' Report	7
Independent Auditors' Report	10
Consolidated Income Statement	12
Consolidated Statement of Other Comprehensive Income	12
Consolidated Statement of Changes in Equity	13
Consolidated and Company Statement of Financial Position	14
Consolidated Cash Flow Statement	15
Statement of Accounting Policies	16
Notes to the Accounts	20
Five Year Statement	32

HALL & WOODHOUSE LIMITED

Directors and Advisers

Directors

A W WOODHOUSE, MA (*Chairman*) *†
T CLARKE, MA *†
D H C HOARE, BA (Hons), MBA (*Resigned 4th May 2019*)
L R GRAY, BSC (Hons), MA
M JAMES, LLB (Hons)
M R KEARSEY, BA (Hons) (*Managing*) *
D J LIVESEY, FCIPD
M J OWEN, ACMA (*Resigned 25th April 2019*)
J M SCOTT, BA (Hons), ACMA (*Resigned 10th May 2019*)
M A STREET, OBE *† (*Resigning 15th May 2020*)
M J M WOODHOUSE, MBA *

* denotes member of the Audit and Remuneration Committees

† denotes member of the Nominations Committee

Auditors

NEXIA SMITH & WILLIAMSON
Cumberland House, 15-17 Cumberland Place, Southampton SO15 2BG

Bankers

BARCLAYS BANK PLC
4th Floor, Bridgewater House, Counterslip, Finzels Reach, Bristol BS1 6BX

Solicitors

BLANCHARDS BAILEY LLP
Bunbury House, Stour Park, Blandford DT11 9LQ

Secretary

M JARVIS

Registered Office

The Brewery, Blandford St. Mary, Dorset DT11 9LS

Registered No

00057696

HALL & WOODHOUSE LIMITED

Notice of Meeting of Hall & Woodhouse Limited (the Company)

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND TWENTY-SECOND ANNUAL GENERAL MEETING of the Company will be held at The Brewery, Blandford St Mary, DT11 9LS on Friday the 17th day of July, 2020 at 11.30am to transact the following business:

- 1) To receive and consider the report of the directors and audited statement of accounts for the year ended 25 January 2020.
- 2) To re-elect retiring directors, namely: T CLARKE.
- 3) To re-appoint the auditors, Nexia Smith & Williamson.
- 4) To authorise the directors to determine the remuneration of the auditors.
- 5) To adopt and ratify the action of the directors in paying a dividend at the rate of 3.5% per annum on the preference shares.
- 6) To transact any other ordinary business of the Company.

By order of the Board



M JARVIS
Secretary

THE BREWERY
BLANDFORD-ST. MARY
DORSET
26 March 2020

NOTE 1

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy and such a proxy need not also be a member of the Company.

NOTE 2

A holding of preference shares does NOT confer any right of voting at any general meeting of the Company, except in special circumstances as stated in the articles of association of the Company.

HALL & WOODHOUSE LIMITED

Results at a Glance

	<i>2020</i>	<i>2019</i>	<i>% Change</i>
	<i>£000</i>	<i>£000</i>	<i>Year on Year</i>
TURNOVER	116,569	114,808	+1.5%
ONGOING OPERATING PROFIT	8,891	8,967	-0.8%
INTEREST RECEIVABLE	46	49	-6.1%
INTEREST PAYABLE	(1,994)	(1,987)	-0.4%
ONGOING PROFIT ON ORDINARY ACTIVITIES	6,943	7,029	-1.2%
EXCEPTIONAL ITEMS	(999)	(1,009)	+1.0%
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5,944	6,020	-1.3%
TAXATION PAYABLE	(1,826)	(1,525)	+19.7%
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	4,118	4,495	-8.4%
EARNINGS PER ORDINARY SHARE*	£6.86	£7.49	-8.4%
DIVIDEND PER ORDINARY SHARE** (Paid and proposed)	£1.80	£3.96	-54.5%

* Earnings per ordinary share is calculated profit on ordinary activities after taxation divided by the number of ordinary shares.

** Dividend per ordinary share is calculated using total dividends in respect of a financial year regardless of the accounting period in which they are recognised.

Chairman's Statement

We always planned that 2019 would be a year of change for the Company, with some senior departures, the transition to the next generation of leaders and the next iteration of our long-term strategy. It is testament to the planning, skill and hard work of the team under Matt Kearsey's leadership that this has been achieved so smoothly.

During periods of change, it is easy for the business to be distracted from the day-to-day. It is particularly pleasing to report, therefore, that the team have delivered profits in line with the previous year's (in which they had achieved substantial growth). This was despite a challenging trading environment, particularly over the autumn where poor weather and the chronic political uncertainty adversely affected trading.

Ongoing pre-tax profits were £6.94m (2019: £7.03m) and total pre-tax profits were £5.94m (2019: £6.02m). Net debt reduced to £50.6m from £56.5m.

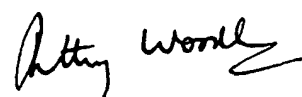
The high point of the year was the opening of H&W Wichelstowe which is trading very satisfactorily.

I would like to thank Martin Scott and David Hoare for their dedication, huge contribution and entertainment that they brought to the Company. They both leave superb and enduring legacies.

Mark Woodhouse stepped down as Chairman and celebrated 40 years of service for the Company. He has demonstrated such passion for the business, loyalty (not least leading with his chin in the Company's hour of need at the time of the death of my brother David) and dedication to all things Badger. I am delighted that he has taken up the newly created role of Family Director, as well of course continuing his championing of Badger and our community activities.

At the time of writing, the corona virus is developing rapidly with pubs being closed. The team have done a fantastic job in getting the business into battle formation. We are in a privileged position of owning the vast majority of our pubs and with relative limited borrowings and excellent relationships with our lenders, we have an extremely strong balance sheet and sufficient liquidity based on our forecasts. When the world recovers our superb high quality pub estate and teams will be well positioned to rebuild trade.

In my first year as Chairman, it has been my privilege to work with a team of such talent and dedication and I would like to put on record my thanks for everything they have achieved in this year of change. It is they who put us in as strong a position as we are to ride out this current storm.



A W WOODHOUSE
Chairman

Strategic Report

PRINCIPAL ACTIVITIES

The principal activities of the Group consist of the brewing and packaging of beer and the ownership and management of public houses and hotels.

TRADING REVIEW

All other matters have been dealt with in the Chairman's statement.

SECTION 172 STATEMENT

Hall & Woodhouse has a clearly defined purpose:

"We exist to make people's day and enrich our communities from generation to generation."

The Board champions this purpose alongside our ADIKT values and looks to ensure that all stakeholders – shareholders, team, suppliers, etc – are aligned with them both.

The Board also ensures that the Company has a long-term strategy in place, the latest version of which is our Vision 250. There are 10 clearly defined 'audacious goals' the successful completion of which the Company is looking to celebrate in 2027 on its 250th birthday. These goals cover (i) growing the business in line with 'making people's day'; (ii) 'enriching our communities' by being a Great Place to Work, donating and raising £1m p.a. for local good causes, and being a genuinely sustainable business in the broadest sense, with a view to becoming carbon neutral; and (iii) ensuring the longevity of the business 'from generation to generation' by, inter alia, generating sufficient internal cashflow to fund the growth plans and nurturing the next generation of leaders.

The Board looks to ensure that H&W lives by its values and serves its purpose through long-term decision making and a consistent culture across the business and in all its dealings with external stakeholders, guests and consumers and the communities that we operate in.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board regularly reviews the principal risks and uncertainties facing the Group and maintains a risk register. The directors consider the most pertinent current risk to be the developing corona virus global pandemic and potential economic impacts on the Company and the wider economy. Further details are provided in the accounting policies, Going Concern note. When the situation begins to normalise there will be significant risks in terms of team, suppliers, customers, guests and costs. The company is developing plans to manage and mitigate their impact.

KEY PERFORMANCE INDICATORS

The Board monitors progress on the overall Group strategy and the individual strategic elements by reference to three KPIs. Performance during the year, together with historical trend data is set out in the table below:

	2020	2019	Definition, method of calculation and analysis
Increase/(Decline) in sales (%)	1.5%	4.3%	Year on year sales movement expressed as a percentage. We have made progress in both our Managed house and Business Partnership estates delivering growth against a very strong prior year trading.
Operating margin (%)	7.6%	7.8%	Operating margin is the ratio of underlying operating profit before interest and property disposals, to sales expressed as a percentage. The hospitality industry as a whole continues to face cost pressures across the P&L, with the main impacts coming through the minimum wage and customer mix in the Off-Trade.
Return on invested capital (%)	7.2%	7.4%	Operating Profit expressed as a percentage of net assets. The decrease reflects the negative movement above in the operating margin.

This report was approved and authorised for issue by the Board of Directors on 26 March 2020.

M JARVIS
Secretary



Directors' Report

PROFITS AND DIVIDEND

The Group profit for the year available for appropriation amounts to £4.118m (2019 - £4.495m). Ordinary interim dividends of £0.540m, a final dividend of £1.296m, and the preference dividend of £0.007m have been paid during the year. A balance of £2.405m (2019 - £1.607m) has been added to reserves, including £0.130m in other comprehensive income (2019 - (£0.529m)).

TREASURY POLICY AND FINANCIAL RISK MANAGEMENT

In order to minimise credit risk relating to financial loss resulting from a customer's failure to meet their liabilities, checks are carried out to establish credit worthiness before deferred terms are granted. Credit terms are applied for each customer to control debt exposure.

The Group manages liquidity risk by monitoring daily cash balances and producing monthly rolling cash flow forecasts. Capital expenditure is approved by the Board with investment appraisal models used to evaluate proposed expenditure.

Borrowings comprise a mixture of long term borrowings, a revolving credit facility and a committed overdraft facility. In order to protect itself from upward movements in interest rates, the Group entered into interest rate swap contracts up to ten years for approximately 70% of borrowings; we have contracts in place until 2028.

The Group does hedge against foreign exchange exposure where it considers it to be appropriate. This hedge never exceeds 18 months and currently is in place until May 2020.

PROPERTIES

Your Directors are of the opinion that the market value of the Group's properties is in excess of the book value. The amount of such excess could only be obtained by revaluations carried out at frequent intervals by professional valuers; such valuations would be very expensive and the Directors do not consider such expenditure justified.

Most of the properties maintained for use in the Group's business as licensed public houses. Some of these properties have a value in excess of present trading value if used for other purposes.

FIXED ASSETS

The Group has continued to invest substantial amounts in fixed assets. During the year this investment was £10.047m (2019 - £13.768m). A summary of the movement on fixed assets is shown in note 11 to the accounts.

TEAM MEMBER INVOLVEMENT

The Group refers to employees as team members. The Group has always encouraged and fostered mutually supportive team member relationships by personal contact, meetings and notices.

There are numerous regular and project based meetings and opportunities for dialogue. The objective of these is to ensure effective dissemination of information to team members at all levels, and to provide feedback to management. At all the meetings the team members are encouraged to ask questions and exchange views.

For instance, the Managing Director chairs a series of team briefings for team members based at the Brewery twice a year where the results of the Group are presented and an update on strategic progress is given.

General Managers and Head Chefs of the Managed Public Houses gather each year where similar updates are given.

Directors' Report (continued)

Daily announcements are made on the Group Teams platform and intranet providing information on topics from all parts of the Group.

Every Team Member attends a workshop on the "Ways of Woodhouse" as part of his/her induction looking at the Group's history, vision, values and ways of working. A Team Member Forum has been established at the Brewery chaired by the Managing Director to seek views and agree proposals on a broad range of issues.

The Group offers attractive bonus schemes to enable Team Members to share in increased productivity and profits. These schemes are tailored to the appropriate type of operation. Profit related bonuses are paid annually when the financial results for the year are known.

DISABLED PERSONS

The Group'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 Group.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the Group contributed £152,087 (2019 - £125,621) for charitable purposes.

DIRECTORS

The names of all Directors who held office during the year are set out on page 2.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest in any contract to which the Group was a party during the year under review.

DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

A resolution will be put to the Annual General Meeting proposing the re-appointment of Nexia Smith & Williamson as Auditors to the Company.

This report was approved and authorised for issue by the Board of Directors on 26 March 2020.



M JARVIS

Secretary

26 March 2020

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent Auditors' Report

to the Members of Hall & Woodhouse Limited

OPINION

We have audited the financial statements of Hall & Woodhouse Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 25 January 2020 which comprise the Consolidated Income Statement, Consolidated Statement of comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated and Company Statement of financial Position, Consolidated Cash Flow Statement and the 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 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 group's and of the parent company's affairs as at 25 January 2020 and of the group's profit for the year 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATION TO GOING CONCERN

We draw attention to the going concern accounting policy in page 19 of the notes to the financial statements concerning the group's and parent company's ability to continue as a going concern. On 11 March 2020, COVID-19 was declared a pandemic by the World Health Organisation. The impact of the COVID-19 pandemic on the business remains unquantifiable at this stage, particularly in relation to the UK government advice to close public houses and how long this closure advice will last. These conditions, along with other matters explained in the going concern accounting policy in page 19 of the notes to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 group's or the parent 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 Accounts, 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

Independent Auditors' Report (continued)

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.

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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and their 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

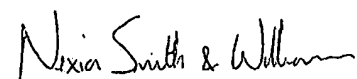
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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.

USE OF OUR REPORT

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Edmonds

Senior Statutory Auditor, for and on behalf of

Nexia Smith & Williamson

Statutory Auditor

Chartered Accountants

26 March 2020

4th Floor, Cumberland House
15-17 Cumberland Place
Southampton
SO15 2BG

HALL & WOODHOUSE LIMITED

Consolidated Income Statement for the year ended 25 January, 2020

	Notes	2020 £000	2020 £000 Items Excluded from Underlying Results	2020 £000 Total	2019 £000	2019 £000 Items Excluded from Underlying Results	2019 £000 Total
Turnover	1	116,569	-	116,569	114,808	-	114,808
Operating costs	3(a)&(b)	(107,679)	(483)	(108,162)	(105,841)	(776)	(106,617)
Other (losses)/gains	2		(1,070)	(1,068)	-	69	69
OPERATING PROFIT	4	8,891	(1,552)	7,339	8,967	(707)	8,260
Profit/(Loss) on sales of properties	3(b)	-	738	738	-	(138)	(138)
PROFIT on ordinary activities before interest		8,891	(814)	8,077	8,967	(845)	8,122
Interest receivable	7	46	-	46	49	-	49
Interest payable and similar charges	8	(1,994)	-	(1,994)	(1,987)	-	(1,987)
Net interest on pension liabilities	8	-	(185)	(185)	-	(164)	(164)
PROFIT on ordinary activities before taxation		6,943	(999)	5,944	7,029	(1,009)	6,020
TAXATION on profit of ordinary activities	9	(1,826)	-	(1,826)	(1,525)	-	(1,525)
RETAINED PROFIT FOR THE YEAR		5,117	(999)	4,118	5,504	(1,009)	4,495

All amounts relate to continuing operations

Consolidated Statement of Comprehensive Income for the year ended 25 January, 2020

	Notes	2020 £000	2019 £000
PROFIT FOR THE FINANCIAL PERIOD		4,118	4,495
Actuarial profit/(loss) relating to net pension liability		167	(621)
Deferred tax associated with actuarial (loss)/gain relating to net pension liability		(37)	92
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		4,248	3,966

Consolidated Statement of Changes in Equity as at 25 January, 2020

	<i>Share Capital £000</i>	<i>Revaluation Reserve £000</i>	<i>Profit and Loss Account £000</i>	<i>Total Equity £000</i>
At 27 January 2018	800	332	117,758	118,890
Profit for the period	-	-	4,495	4,495
At 26 January 2019	800	332	122,253	123,385
Actuarial gains/(losses) on pension scheme	-	-	(621)	(621)
Deferred tax associated with actuarial gain/(loss) relating to net pension liability	-	-	92	92
Other Comprehensive Income for the period	-	-	(529)	(529)
Total Comprehensive Income for the period	800	332	121,724	122,856
Dividends	-	-	(2,359)	(2,359)
At 26 January 2019	800	332	119,365	120,497
Profit for the period	-	-	4,118	4,118
At 25 January 2020	800	332	123,483	124,615
Actuarial gains/(losses) on pension scheme	-	-	167	167
Deferred tax associated with actuarial gain/(loss) relating to net pension liability	-	-	(37)	(37)
Other Comprehensive Income for the period	-	-	130	130
Total Comprehensive Income for the period	800	332	123,613	124,745
Dividends	-	-	(1,843)	(1,843)
At 25 January 2020	800	332	121,770	122,902

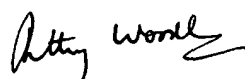
The Statement of Changes in Equity of the Parent Company has not been separately presented as it is not materially different to that of the Group.

HALL & WOODHOUSE LIMITED

Statement of Financial Position as at 25 January, 2020

	<i>Notes</i>	<i>Group</i>		<i>Company</i>	
		<i>2020</i> <i>£000</i>	<i>2019</i> <i>£000</i>	<i>2020</i> <i>£000</i>	<i>2019</i> <i>£000</i>
Fixed Assets					
Plant, property and Equipment	11	194,328	199,362	194,443	195,440
Investments	12	914	879	914	879
		<u>195,242</u>	<u>200,241</u>	<u>195,357</u>	<u>196,319</u>
Current Assets					
Inventories	13	4,055	4,097	4,055	4,097
Debtors	14	13,182	8,376	13,163	12,348
Cash at bank and in hand	15	1,433	94	1,433	94
		<u>18,670</u>	<u>12,567</u>	<u>18,651</u>	<u>16,539</u>
Creditors: amounts falling due within one year	16	(19,578)	(19,687)	(19,145)	(20,089)
Net Current Liabilities		<u>(908)</u>	<u>(7,120)</u>	<u>(494)</u>	<u>(3,550)</u>
Total Assets less Current Liabilities		<u>194,334</u>	<u>193,121</u>	<u>194,863</u>	<u>192,769</u>
Creditors: amounts falling due after more than one year	17	(54,594)	(56,456)	(54,594)	(56,456)
Provisions for Liabilities and Charges	20	(10,076)	(9,184)	(9,150)	(9,184)
		<u>129,664</u>	<u>127,481</u>	<u>131,119</u>	<u>127,129</u>
Net Assets excluding Pension Liability		<u>129,664</u>	<u>127,481</u>	<u>131,119</u>	<u>127,129</u>
Pension Liability	29	(6,762)	(6,984)	(6,762)	(6,984)
Net Assets including Pension Liability		<u>122,902</u>	<u>120,497</u>	<u>124,357</u>	<u>120,145</u>
Capital and Reserves					
Called-up share capital	21	800	800	800	800
Revaluation reserve		332	332	332	332
Income Statement		121,770	119,365	123,225	119,013
		<u>122,902</u>	<u>120,497</u>	<u>124,357</u>	<u>120,145</u>
Total Equity		<u>122,902</u>	<u>120,497</u>	<u>124,357</u>	<u>120,145</u>

The Company retained profit for the year totalled £4.070m (2019 - £4.509m).



A W Woodhouse



M R Kearsey

26 March 2020

Directors

HALL & WOODHOUSE LIMITED

Consolidated Cash Flow Statement as at 25 January, 2020

	<i>Notes</i>	2020 £000	2020 £000	2019 £000	2019 £000
PROFIT FOR THE FINANCIAL YEAR			4,118		4,495
ADJUSTMENTS FOR					
Depreciation of plant property and equipment	11	6,735		6,481	
(Increase) in trade & other receivables		(4,806)		(919)	
Decrease/(Increase) in inventories		42		(150)	
Increase/(Decrease) in trade & other payables		1,294		(780)	
Increase/(Decrease) in provisions		330		(33)	
Defined benefit operating profit charges less contributions paid		(55)		(76)	
Revaluation of financial instruments		1,070		(83)	
Taxation		1,826		1,525	
(Profit)/Loss from sale of plant property and equipment		(738)		138	
Interest received		(46)		(49)	
Interest paid		1,994		1,987	
Net interest on pension liabilities		185		164	
CASH FROM OPERATIONS			<u>11,949</u>		<u>12,700</u>
Income taxes paid		(1,053)		(997)	
NET CASH GENERATED FROM OPERATING ACTIVITIES			<u>10,896</u>		<u>11,703</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of plant property and equipment		9,084		1,421	
Purchases of plant property and equipment	11	(10,047)		(13,768)	
Interest received	7	46		49	
Trade loans advanced	12	(548)		(495)	
Trade loans repaid	12	513		572	
NET CASH FROM INVESTING ACTIVITIES			<u>(952)</u>		<u>(12,221)</u>
CASH FLOW FROM FINANCING ACTIVITIES					
Movement in loans	15	(3,000)		3,500	
Interest paid	8	(2,179)		(2,151)	
Dividends paid on ordinary shares	10	(1,836)		(2,352)	
Dividends paid on preference shares	10	(7)		(7)	
NET CASH FROM FINANCING ACTIVITIES			<u>(7,022)</u>		<u>(1,010)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15		<u>2,922</u>		<u>(1,528)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT FOR THE YEAR ENDED 25 JANUARY, 2020					
	<i>Notes</i>	2020 £000		2019 £000	
Increase/(Decrease) in cash	15	2,922		(1,528)	
Decrease/(Increase) in debt from movement in loans	15	3,000		(3,500)	
MOVEMENT IN NET DEBT	15	<u>5,922</u>		<u>(5,028)</u>	
NET DEBT AT BEGINNING OF YEAR	15	<u>(56,489)</u>		<u>(51,461)</u>	
NET DEBT AT END OF YEAR	15	<u>(50,567)</u>		<u>(56,489)</u>	

The Parent Company has taken advantage of the exemption available to it under FRS102 not to prepare a statement of cashflows.

Statement of Accounting Policies

General Information

Hall & Woodhouse Limited is a private limited company which is limited by shares and incorporated in England & Wales. The address of the registered office is The Brewery, Blandford St. Mary, Dorset DT11 9LS and the registered number is 00057696. See the Strategic Report for additional information.

Basis of Preparation of Financial Statements

The Accounts are prepared under the historical cost convention, except for the revaluation of freehold and leasehold properties incorporated within these Accounts, and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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

The following principal accounting policies have been applied:

Basis of Consolidation

The Group Income Statement and Statement of Financial Position include the accounts of Hall & Woodhouse Limited and its subsidiary undertakings for the year ended 25 January 2020. Intra Group sales and profit are eliminated fully on consolidation.

Goodwill arising on acquisitions prior to 31 December 1997 was previously written off against reserves and to the extent that such assets are disposed of in future, related goodwill will be reinstated and charged to the profit and loss account.

Parental Guarantee

The below subsidiaries are included within the consolidated accounts and the exemption under Section 479A of the Companies Act 2016 has been claimed. Therefore their individual accounts have not been audited.

Badger Ales Limited	Reg no. 01189094	Incorporated in England
Hall & Woodhouse Developments Limited	Reg no. 11141146	Incorporated in England

Parent Company Profit for the Year

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 and has not presented its own Income Statement or Statement of Comprehensive Income in these Financial Statements. The profits after tax of the Parent are noted on the Statement of Financial Position.

Fixed Assets

The gross amounts of freehold and leasehold properties, including fixtures and fittings, are as valued by Mason & Son in 1963, with acquisitions since this date included at cost.

All tangible fixed assets, except freehold land, are depreciated to write off their carrying value, less estimated residual value, over their expected useful lives. The methods adopted for this purpose are as follows:

Freehold & Long Leasehold Properties	50 years	Short Leasehold Properties	Term of the lease
Fixtures & Fittings	3-10 years	Plant & Machinery	5-50 years
Motor Vehicles	3-7 years		

The carrying value of fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. The value of committed future expenditure on assets under construction at the year end is included within note 23, Financial Commitments.

Foreign Currency

The Group financial statements are presented in pounds sterling and rounded to thousands. At each year end foreign currency balances are translated using the closing rate. Foreign exchange gains and losses resulting from the translation at year end of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Statement of Accounting Policies (continued)

Items Excluded From Underlying Results

The Group classifies certain charges or credits that do not fall within normal operating activities but that have a material impact on the Group's financial results as 'Items Excluded From Underlying Results'. These are disclosed separately to provide further understanding of the financial performance of the Group.

Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short term bank deposits with original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in the income statement.

Finance and Operating Leased Assets

Assets held under leasing arrangements that transfer substantially all of the risks and rewards of ownership to the Company are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the Income Statement so as to produce a rate commensurate with the capital balance outstanding. Rentals in respect of all other leases are charged to the Income Statement as incurred.

Lease Incentives

The Group has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 and continues to credit such lease incentives to the Income Statement over the period to the first review date.

Inventories

Inventories are valued on a basis consistent with previous years, at the lower of cost or net realisable value. Cost comprises purchase price or direct production cost with manufacturing overheads and duty as appropriate.

Deferred Taxation

Deferred tax is provided for on a full provision basis on all timing differences that have arisen at the Statement of Financial Position date. A deferred tax asset is not realised to the extent that the transfer of economic benefit in the future is uncertain. Any assets or liabilities recognised have not been discounted.

Pensions

The company operates two defined benefit schemes. Under FRS102 pension scheme assets are measured using fair values. Pension scheme liabilities are measured using an attained age method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities.

The pension scheme surplus/deficit is recognised in full and presented on the face of the Statement of Financial Position. The movement in the scheme surplus/deficit is split between operating and financing items in the Income Statement and the Statement of Total Comprehensive Income.

Statement of Accounting Policies (continued)

The pension scheme liability has been valued by an actuary in accordance with FRS102. Key estimations are shown on note 29. The group considers these assumptions applied by the actuary to be reasonable.

The full service cost of the pension provision is the increase in the pension value of the liabilities expected to arise in the future as a result of the benefits earned during the year by employees and is charged to operating profit.

The net impact of the unwinding of the discount rate on scheme liabilities and the expected return on the scheme net assets is included within other finance costs.

Actuarial gains or losses, arising from any difference between the expected return on assets and that actually achieved and any differences that arise from experience or assumption changes are charged through the statement of Total Comprehensive Income.

The pension scheme closed on 5th April 2012. Interest income is recognised in the Income Statement using the effective interest method.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, 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 Group has transferred the significant risks and rewards of ownership to the buyer
- * the Group 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 Group 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.

Judgements in applying accounting policies and key sources of estimations

Estimates and judgements are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made. The main estimates and assumptions to the carrying amounts of assets and liabilities of the Group are outlined below:

Fixed Assets: As described above, the Group 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. The Net Book Value of these assets at 25 January 2020 was £194.328m (2019 - £199.362m).

Obsolete Stock Provision: At each reporting date, the Group's stock holding is analysed to identify items which may be obsolete and a provision is made against these items. The value of this provision at 25 January 2020 was £183,317 (2019 - £217,923).

Bad Debt Provision: At each reporting date and throughout the year, the Group's debtor balance is reviewed to identify any impairment required, and specific provisions are made against this balance. The value of these provisions at 25 January 2020 was £2,492 (2019 - £14,370).

Retros/Promos: Certain supermarket promotions are funded retrospectively, the cost of these promotions cannot be confirmed until the promotion has finished and the supermarket submits a claim. For the duration of the promotion estimates are prepared at each reporting date. Provisions are only made when a promotion has concluded and available sales data can be used to estimate the costs that will occur. The carrying amount at 25 January 2020 was £102,491 (2019 - £77,030).

Dilapidations: Leases exist within the Group which include clauses obliging the Group to return the property in the condition at the date of entry into the lease. The costs to bring the property back into that condition cannot be confirmed until the Group leaves the property and a schedule of dilapidations can be confirmed. In the intervening years estimates of the costs are prepared at each reporting date. Provision is only made for potential dilapidation payments when they can be reliably estimated and it is probable that they will occur. The carrying amount at 25 January 2020 was £362,874 (2019 - £NIL).

Statement of Accounting Policies (continued)

Going Concern – Corona Virus

The board acknowledges that we are currently entering a difficult time due to the global corona virus pandemic. The directors also emphasise that our approach to this crisis must safe guard our team, guests and communities from the virus, as far as we are able to and in line with guidance from the UK government. The very nature of this disease will affect the hospitality industry as a whole and the timescale is, as yet, unknown.

Our pub estate accounts for a large proportion of our trading activities and the pandemic will have a significant impact here. Pub closures, both in the Managed and Business Partners estates have happened & the duration is as yet unknown. Our off-trade activities are currently, and are anticipated to remain in the medium term, largely unaffected as our key grocery channels are expected to remain open, based on current communications and other countries' procedures.

We have forecast cashflows, being prudent about extended periods of closures and depressed income from our pub estate and considering the flexibility of our cost base and cash outgoings. We have also approached our existing finance providers, who have expressed a willingness to support us through this time, especially given our Fixed Asset portfolio. We also have existing facilities in place of up to £65m of which £13m are not currently drawn down and this provides a significant amount of immediately accessible funds. The UK government are also making ongoing provisions of assistance to the country as a whole.

Uncertainty exists around the length of closures and we are confident that we can weather this in the medium term. However, with ongoing loss of trade, liquidity is a key risk to the business remaining a going concern without support from government.

The directors, having considered the above, continue to adopt the going concern basis in preparing the financial statements which assumes that the company will continue in operation for the foreseeable future. The directors do concede however, if the situation persists significantly longer than the government forecasts without increased support from the government, that due to the uncertain nature of the pandemic, there is material uncertainty over the ability to continue trade for both Hall and Woodhouse and the entire hospitality industry as both our team, suppliers and guests are impacted by the corona virus.

HALL & WOODHOUSE LIMITED

Notes to the Accounts

1 REVENUE

Turnover comprises the net retail sales of the Group including contract packaging fees, income from amusement, gaming and vending machines and rents receivable. Turnover is recognised at the point of delivery and is exclusive of VAT.

2 ANALYSIS OF REVENUE AND PROFITS BETWEEN ACTIVITIES AND MARKETS

The activities of the Group are the normal activities of a regional brewing company, and in the opinion of the directors no further analysis between market sectors is appropriate. All revenue of the Company is generated in the United Kingdom.

3(a) OPERATING COSTS

	Before Items Excluded from Underlying Results 2020 £000	Items Excluded from Underlying Results 2020 £000	Total 2020 £000	Before Items Excluded from Underlying Results 2019 £000	Items Excluded from Underlying Results 2019 £000	Total 2019 £000
Decrease/(Increase) in stocks of finished goods and work in progress	(50)	-	(50)	279	-	279
Raw materials, consumables and goods for resale	30,765	-	30,765	35,338	-	35,338
Team costs - wages and salaries	28,448	-	28,448	27,182	-	27,182
- social security costs	2,471	-	2,471	2,393	-	2,393
- other pension costs	834	-	834	725	-	725
Depreciation - owned assets	6,735	-	6,735	6,481	-	6,481
Other operating income	(132)	-	(132)	(114)	-	(114)
Other operating charges	38,608	483	39,091	33,557	776	34,333
	<u>107,679</u>	<u>483</u>	<u>108,162</u>	<u>105,841</u>	<u>776</u>	<u>106,617</u>

3(b) EXCEPTIONAL ITEMS

	2020 £000	2019 £000
Operating Costs:		
Leasehold dilapidations	363	264
Onerous rent provision on leased pubs	57	62
Other items	62	450
	<u>483</u>	<u>776</u>
Other Losses/(Gains):		
Interest rate swap fair value movement	1,070	(83)
Forward Foreign Exchange Contracts	-	14
	<u>1,070</u>	<u>(69)</u>
Pension interest charge	<u>185</u>	<u>164</u>
Property Disposals:		
Profit/(Loss) on sale of property	<u>738</u>	<u>(138)</u>
(Loss) on Ordinary Activities	<u>(999)</u>	<u>(1,009)</u>

HALL & WOODHOUSE LIMITED

Notes to the Accounts (continued)

4	OPERATING PROFIT is stated after charging:	2020	2019
		£000	£000
	Hire of plant and equipment	391	358
	Auditors' remuneration - Audit services	46	47
	Non audit services paid to Auditor related companies - Taxation Services	52	23

There is no material difference between auditors' remuneration in the Group and the Company.

5	EMOLUMENTS OF DIRECTORS	2020	2019
		£000	£000
	Emoluments	1,491	2,333
	National Insurance contributions of Employers	237	267
	Total company contributions to :-		
	Defined contribution pension scheme	83	134

	Number	Number
Members of defined contribution pension scheme	7	7

The amounts in respect of the highest paid director are as follows :-

	2020	2019
	£000	£000
Basic salary, fees and benefits	271	269
Annual bonus	59	93
Total Emoluments	<u>330</u>	<u>362</u>

Contribution to defined contribution pension scheme	10	11
---	----	----

There is no material difference between director emoluments in the Group and the Company.

6 TEAM MEMBER NUMBERS

The average number of persons employed by the Company, including directors, during the year was as follows:-

	2020	2019
	Number	Number
Brewery Site	202	215
Managed Houses	1,286	1,216
	<u>1,488</u>	<u>1,431</u>

There is no material difference between team member numbers in the Group and the Company.

7	INTEREST RECEIVABLE	2020	2019
		£000	£000
	Interest on trade and other loans	46	49

8	INTEREST PAYABLE AND SIMILAR CHARGES	2020	2019
		£000	£000
	Overdraft	14	(92)
	Bank Loans	1,884	1,988
	Other	96	91
	Interest payable before net interest on pension liability	<u>1,994</u>	<u>1,987</u>
	Net interest on pension liability	<u>185</u>	<u>164</u>
		<u>2,179</u>	<u>2,151</u>

HALL & WOODHOUSE LIMITED

Notes to the Accounts (continued)

9 TAXATION

	2020 £000	2019 £000
Analysis of tax charge on ordinary activities:		
UK corporation tax at 19% (2019 - 19%)	1,285	1,172
Adjustments relating to prior years	17	(13)
	<u>1,302</u>	<u>1,159</u>
Deferred taxation:		
Adjustments relating to prior years	12	14
Deferred taxation	512	352
Effect of tax rate change on opening balances	-	-
	<u>1,826</u>	<u>1,525</u>
Factors affecting tax charge:		
Expected tax charge on Profit on Ordinary Activities at 19% (2019 - 19%)	1,129	1,144
Fixed asset differences	314	452
Expenses not deductible for tax purposes	254	8
Income not taxable for tax purposes	(32)	(13)
Amounts (charged)/credited directly to equity or otherwise transferred	-	-
Adjustment to tax charge in respect of prior periods	17	(13)
Adjustment to tax charge in respect of prior periods - deferred tax	12	14
Effect of tax rate change on opening balances - deferred tax	-	(31)
Deferred taxation	550	290
Defined benefit scheme timing differences	(38)	93
Capital Allowances in Excess of Depreciation	(412)	(419)
	<u>1,826</u>	<u>1,525</u>
Current tax charge for the period	<u>1,826</u>	<u>1,525</u>

Factors that may affect the future tax charge:

Deferred tax has not been provided on revaluations of fixed assets. Tax will be payable if the assets are sold and rollover relief is not obtained.

Deferred tax has not been provided in respect of gains realised that have been rolled over into the acquisition cost of replacement assets. This tax will become payable if the replacement assets are sold and further rollover relief is not obtained.

Deferred tax has been recognised in line with the UK Government enacted legislation rates. Any alteration to this rate may affect future tax payable.

10 DIVIDENDS

	2020 £000	2019 £000
Preference	7	7
Ordinary :-		
– final in respect of prior year	216p per share (2019: 212p)	1,272
– first interim for current year	90p per share (2019: 90p)	540
– second interim for current year	90p per share (2019: 90p)	540
	<u>1,843</u>	<u>2,359</u>

The second interim of 90p per share was paid after the year end and the Board will recommend no final dividend is paid. In accordance with Accounting Standard, FRS 102, these are not accrued within these accounts.

HALL & WOODHOUSE LIMITED

Notes to the Accounts (continued)

11 PROPERTY, PLANT AND EQUIPMENT

COMPANY	Freehold property and fixtures £000	Leasehold property and fixtures over 50 years £000	under 50 years £000	Plant and vehicles £000	Containers furniture & effects £000	Total £000
Cost or valuation						
At 26 January 2019	189,890	5,696	11,616	21,445	39,830	268,477
Additions	10,486	(25)	20	253	3,350	14,084
Reclassification	-	-	1	-	(1)	-
Disposals	(8,907)	-	-	-	(1,005)	(9,912)
At 25 January 2020	<u>191,469</u>	<u>5,671</u>	<u>11,637</u>	<u>21,698</u>	<u>42,174</u>	<u>272,649</u>
At valuation 1963	1,457	12	14	-	-	1,483
At cost thereafter	<u>190,012</u>	<u>5,659</u>	<u>11,623</u>	<u>21,698</u>	<u>42,174</u>	<u>271,166</u>
	<u>191,469</u>	<u>5,671</u>	<u>11,637</u>	<u>21,698</u>	<u>42,174</u>	<u>272,649</u>
Depreciation						
At 26 January 2019	28,710	558	7,606	11,599	24,564	73,037
Charge for the year	1,978	67	400	1,013	3,277	6,735
Reclassification	-	-	1	-	(1)	-
Disposals	(1,224)	-	-	-	(342)	(1,566)
At 25 January 2020	<u>29,464</u>	<u>625</u>	<u>8,007</u>	<u>12,612</u>	<u>27,498</u>	<u>78,206</u>
Net book values						
At 25 January 2020	<u>162,005</u>	<u>5,046</u>	<u>3,630</u>	<u>9,086</u>	<u>14,676</u>	<u>194,443</u>
At 26 January 2019	<u>161,180</u>	<u>5,138</u>	<u>4,010</u>	<u>9,846</u>	<u>15,266</u>	<u>195,440</u>
GROUP						
Cost or valuation						
At 26 January 2019	193,812	5,696	11,616	21,445	39,830	272,399
Additions	6,449	(25)	20	253	3,350	10,047
Reclassification	-	-	1	-	(1)	-
Disposals	(8,907)	-	-	-	(1,005)	(9,912)
At 25 January 2020	<u>191,354</u>	<u>5,671</u>	<u>11,637</u>	<u>21,698</u>	<u>42,174</u>	<u>272,534</u>
At valuation 1963	1,457	12	14	-	-	1,483
At cost thereafter	<u>189,897</u>	<u>5,659</u>	<u>11,623</u>	<u>21,698</u>	<u>42,174</u>	<u>271,051</u>
	<u>191,354</u>	<u>5,671</u>	<u>11,637</u>	<u>21,698</u>	<u>42,174</u>	<u>272,534</u>
Depreciation						
At 26 January 2019	28,710	558	7,606	11,599	24,564	73,037
Charge for the year	1,978	67	400	1,013	3,277	6,735
Reclassification	-	-	1	-	(1)	-
Disposals	(1,224)	-	-	-	(342)	(1,566)
At 25 January 2020	<u>29,464</u>	<u>625</u>	<u>8,007</u>	<u>12,612</u>	<u>27,498</u>	<u>78,206</u>
Net book values						
At 25 January 2020	<u>161,890</u>	<u>5,046</u>	<u>3,630</u>	<u>9,086</u>	<u>14,676</u>	<u>194,328</u>
At 26 January 2019	<u>165,102</u>	<u>5,138</u>	<u>4,010</u>	<u>9,846</u>	<u>15,266</u>	<u>199,362</u>

Freehold and leasehold land, buildings and built in fixtures and fittings were revalued at 31 July 1963 on the going concern (existing use) basis, by Mason & Son. Depreciation provided has been based on the revalued amount and additions at cost thereafter. The difference between book value at cost and the revalued amount is not material.

HALL & WOODHOUSE LIMITED

Notes to the Accounts (continued)

12 FIXED ASSET INVESTMENTS

	<i>Group & Company</i>	
	<i>Trade</i>	<i>Total</i>
	<i>loans</i>	
	<i>£000</i>	<i>£000</i>
NET BOOK VALUE		
At 26 January 2019	879	879
Advances	548	548
Repayments/Write Offs	(513)	(513)
At 25 January 2020	<u>914</u>	<u>914</u>
At 26 January 2019	<u>879</u>	<u>879</u>

Investments in wholly-owned subsidiary companies represent ordinary shares in the following companies.

Trading Companies	Percentage of Voting Shares held	Country of Incorporation
Badger Ales Limited	100%	England
Hall & Woodhouse Developments Limited	100%	England
Non-Trading Companies	Percentage of Voting Shares held	Country of Incorporation
Woodhouse Inns Limited	100%	England
Blandford Beer Company Limited	100%	England
King & Barnes Limited	100%	England
Rio Drinks Limited	100%	England

The registered address for all subsidiary companies is the same as the Group.

13 INVENTORIES

	<i>Group & Company</i>	
	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>
Raw materials and consumables	547	743
Finished goods	2,339	2,289
Goods for resale	723	667
Other stocks	446	398
	<u>4,055</u>	<u>4,097</u>

HALL & WOODHOUSE LIMITED

Notes to the Accounts (continued)

14 DEBTORS

	<i>Group</i>		<i>Company</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade debtors	9,655	4,998	9,636	4,972
Prepayments and accrued income	3,527	3,378	3,527	3,378
Owed by Group Companies	-	-	-	3,998
	<u>13,182</u>	<u>8,376</u>	<u>13,163</u>	<u>12,348</u>

15 ANALYSIS OF NET DEBT

	<i>At 26 January</i>	<i>Cash</i>	<i>At 25 January</i>
	<i>2019</i>	<i>Flow</i>	<i>2020</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cash at bank & in hand	94	1,339	1,433
Bank Overdrafts	(1,583)	1,583	-
Loans	(55,000)	3,000	(52,000)
	<u>(56,489)</u>	<u>5,922</u>	<u>(50,567)</u>

The Net Debt of the Company is not materially different to that of the Group.

16 CREDITORS - amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade creditors	6,735	6,540	6,735	6,540
Other creditors	1,548	902	1,548	902
Social security and other taxes	4,455	3,078	4,455	3,078
Taxation	585	338	555	338
Accruals and deferred income	5,260	6,097	5,137	6,097
Tenants' and other deposits	994	1,081	994	1,081
Bank Overdraft	-	1,583	-	1,583
Interest rate swaps	-	68	-	68
Owed by Group Companies	-	-	613	402
	<u>19,577</u>	<u>19,687</u>	<u>20,037</u>	<u>20,089</u>

17 CREDITORS - amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Interest rate swaps	2,594	1,456	2,594	1,456
Bank loans (secured)	52,000	55,000	52,000	55,000
	<u>54,594</u>	<u>56,456</u>	<u>54,594</u>	<u>56,456</u>

Bank loans are secured against freehold assets of the brewery and a selection of freehold public houses.

Notes to the Accounts (continued)

18 LOANS

	<i>Group & Company</i>	
	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>
Wholly repayable within 10 years:		
HSBC Bank plc		
£20m loan facility with a variable interest rate linked to a fixed margin over LIBOR.	20,000	20,000
M&G Investments Ltd		
£20m loan facility with a variable interest rate linked to a fixed margin over LIBOR.	20,000	20,000
Barclays Bank plc		
£20m revolving credit loan facility with a variable interest rate linked to a fixed margin over LIBOR.	12,000	15,000
	<u>52,000</u>	<u>55,000</u>
Amounts repayable:		
In one year or less, or on demand	-	-
In more than one year but not more than two years	32,000	20,000
In more than two years but not more than five years	20,000	35,000
	<u>52,000</u>	<u>55,000</u>

19 FINANCIAL INSTRUMENTS

	<i>Group</i>		<i>Company</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Financial Assets				
Cash at bank and in hand	1,433	94	1,433	94
Financial assets that are debt instruments measured at amortised cost	10,112	5,386	10,112	5,386
	<u>11,545</u>	<u>5,480</u>	<u>11,545</u>	<u>5,480</u>
Financial Liabilities				
Financial liabilities measured at amortised cost	66,413	69,621	66,413	69,621
Financial liabilities measured at fair value through profit and loss	2,594	1,525	2,594	1,525
	<u>69,007</u>	<u>71,146</u>	<u>69,007</u>	<u>71,146</u>

Financial assets measured at amortised cost comprise of trade debtors, other debtors, deposits, accrued income and Group balances.

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

Financial liabilities and derivative financial instruments measured at fair value through profit or loss comprise of the fair value of the interest rate swaps.

Notes to the Accounts (continued)

20 PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Group</i>		<i>Company</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Deferred taxation	8,977	8,415	8,977	8,415
King & Barnes Ltd unfunded pension scheme	720	752	720	752
Other provisions	379	17	379	17
	<u>10,076</u>	<u>9,184</u>	<u>10,076</u>	<u>9,184</u>

Movement in deferred taxation provision:	<i>Group</i>		<i>Company</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 26 January 2019	8,415	8,141	8,415	8,141
Charge for the year	550	290	550	290
Prior year adjustment	12	15	12	15
Effect of change of tax rate	-	(31)	-	(31)
At 25 January 2020	<u>8,977</u>	<u>8,415</u>	<u>8,977</u>	<u>8,415</u>

The balance comprises:	<i>Group</i>		<i>Company</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Corporation tax on excess of book value of fixed assets over tax written-down values	9,884	9,554	9,884	9,554
Deferred Taxation on Pension provision	(1,150)	(1,187)	(1,150)	(1,187)
Other timing differences	243	48	243	48
	<u>8,977</u>	<u>8,415</u>	<u>8,977</u>	<u>8,415</u>

The deferred tax liability has not been discounted.

21 CALLED-UP SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called-up and fully paid</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
3.5% cumulative preference shares of £1 each	200	200	200	200
Ordinary shares of £1 each	600	600	600	600
	<u>800</u>	<u>800</u>	<u>800</u>	<u>800</u>

The preference share dividend is payable half yearly in arrears. The preference shares carry no votes at meetings. On a winding up the preference shareholders have a right to receive, in preference to ordinary shareholders, £1 per share plus any accrued dividend.

22 INTEREST RATE SWAPS

The Company has entered into Fixed Interest Rate Swaps totalling £40.0m (2019-£40.0m) with Barclays Bank plc and Lloyds Bank plc as a hedge against adverse interest rate movements, for up to ten years. These are held at Fair Value within creditors.

Notes to the Accounts (continued)

23 FINANCIAL COMMITMENTS

At 25 January 2020 authorised future capital expenditure amounted to:

	<i>Group</i>		<i>Company</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Obligations under operating leases as at 25 January 2020 fall due as follows:	4,945	3,377	4,945	1,283
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
(a) within one year	351	333	351	333
(b) in two to five years	518	486	518	486
	<u>869</u>	<u>819</u>	<u>869</u>	<u>819</u>

24 RENT RECEIVABLE UNDER OPERATING LEASES

At 25th January 2020 the Group had future minimum lease payments receivable under non-cancellable operating leases as follows:

	<i>Group</i>		<i>Company</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
(a) within one year	950	897	950	897
(b) in two to five years	2,399	2,927	2,399	2,927
(c) over five years	5,210	5,789	5,210	5,789
	<u>8,559</u>	<u>9,613</u>	<u>8,559</u>	<u>9,613</u>

25 CONTROLLING PARTIES

In the opinion of the directors, there is no single ultimate controlling party.

26 RELATED PARTY TRANSACTIONS

During the year, dividends of £465k were paid to six directors who were also shareholders of the company, £238k as beneficiaries and £227k as Trustees.

All of the Group's Key Management Personnel are members of the Board of Directors and details of their remuneration are given in note 5.

The company has taken advantage of the exemption in FRS102 section 33 from making the requirement to disclose transactions with Group companies on the grounds that these companies are wholly owned within the Group.

27 POST BALANCE SHEET EVENTS

The assets within the pension scheme are affected by the current global market conditions. Due to the ongoing volatility of the market we are unable to quantify the effects.

28 RESERVES

Revaluation Reserve

The Revaluation Reserve represents gains on revaluation of property up to 1963.

Income Statement

The Income Statement represents cumulative losses and gains, after dividends paid.

Notes to the Accounts (continued)

29 PENSION COSTS

The Group sponsors the Hall & Woodhouse Limited and Subsidiary Companies Retirement Benefits Plan (the "Plan"), which is a defined benefit arrangement. The last full actuarial valuation of this Plan was carried out by an independent qualified actuary as at 31 March 2017 and updated on an approximate basis to 25 January 2020. In addition, following the acquisition of King & Barnes in April 2000, the Group has an additional liability in respect of the pensions in payment for former King & Barnes employees. The King & Barnes pension is also a defined benefit arrangement.

Assets in relation to the Plan are held separately from those of the Group in trustee administered funds. The King & Barnes obligation is unfunded and the liability for this is shown in the Statement of Financial Position of the Group.

The contributions made by the Group to the Plan over the financial year have been £0.240m (2019 - £0.240m) in accordance with the schedule of contributions. The contributions to the Plan for the forthcoming year are expected to be £0.240m. As the Plan is closed to new entrants, the current service cost as a percentage of pensionable payroll is likely to increase as the membership ages, although it will be applied to a decreasing pensionable payroll.

Relationship between Hall & Woodhouse Limited and the Trustees of the defined benefit Plan

The pension assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the Plan are required to act in the best interest of the Plan's beneficiaries. The appointment of trustees to the Plan is determined by the Plan's trust documentation. Hall & Woodhouse Limited has a policy that one-third of all trustees should be nominated by members of the Plan, including at least one member by current pensioners.

Illustrative Statement of Financial Position figures

	2020 (£000)			2019 (£000)			2018 (£000)		
	The Plan	King & Barnes	Total	The Plan	King & Barnes	Total	The Plan	King & Barnes	Total
Assets	38,749	2,805	41,554	34,629	2,720	37,349	37,405	2,836	40,241
Liabilities	42,657	5,659	48,316	39,244	5,089	44,333	41,431	5,249	46,680
(Deficit)/ Surplus	(3,908)	(2,854)	(6,762)	(4,615)	(2,369)	(6,984)	(4,026)	(2,413)	(6,439)
Related deferred tax asset/(liability)	664	485	1,150	785	402	1,187	684	410	1,095
Net Pension asset/(liability)	(3,244)	(2,369)	(5,612)	(3,830)	(1,967)	(5,797)	(3,342)	(2,003)	(5,344)
Assets									
Equities	17,181	130	17,311	15,953	130	16,083	17,083	130	17,213
Emerging Markets	1,935	-	1,935	1,699	-	1,699	1,997	-	1,997
Bonds	9,323	-	9,323	7,976	-	7,976	8,609	-	8,609
Gilts	10,124	536	10,660	8,875	536	9,411	9,591	536	10,127
Company Pension Promise	-	720	720	-	753	753	-	785	785
Other	186	1,419	1,605	126	1,301	1,427	125	1,385	1,510
Total	38,749	2,805	41,554	34,629	2,720	37,349	37,405	2,836	40,241

The 'Other' assets consist primarily of insured annuity policies and cash.

The 'Company Pension Promise' represents the amount remaining of a provision recognised on the acquisition of King & Barnes Limited. At the time this provision was created it represented the present value of the pension liability to King & Barnes pensioners that was not covered by insured annuity contracts or other assets held separately from the Company. This provision has been adjusted annually to reflect the reducing liability as a result of making pension payments to pensioners during the year and, as recommended by accounting standards, increased to add a funding charge to the value of the liability carried in the Statement of Financial Position.

Notes to the Accounts (continued)

29 PENSION COSTS (continued)

Reconciliation of the present value of the defined benefit obligation

	2020 £000	2019 £000
Present value of defined benefit obligation at beginning of year	44,333	46,680
Interest cost	1,164	1,191
Actuarial loss/(gain) on Plan liabilities	5,277	(2,216)
Benefits paid	(2,458)	(1,722)
Past service cost	-	400
Present value of defined benefit obligation at end of year	<u>48,316</u>	<u>44,333</u>

Reconciliation of fair value of Plan assets

	2020 £000	2019 £000
Fair value of Plan assets at start of year	37,349	40,241
Expected return on Plan assets	979	1,027
Actuarial gain/(loss) on Plan assets	5,444	(2,437)
Contributions by the Company	240	240
Benefits paid	(2,458)	(1,722)
Fair value of Plan assets at end of year	<u>41,554</u>	<u>37,349</u>

Amounts to be recognised in the Statement of Financial Position

	2020 £000	2019 £000
Present value of funded obligation	41,554	37,349
Fair value of Plan assets	(48,316)	(44,333)
Net liability in Statement of Financial Position	<u>(6,762)</u>	<u>(6,984)</u>

Amounts to be recognised in the Income Statement

	2020 £000	2019 £000
Interest on obligation	1,164	1,191
Expected return on Plan assets	(979)	(1,027)
Total expense	<u>185</u>	<u>164</u>

Notes to the Accounts (continued)

28 PENSION COSTS (continued)

Expected Return on Assets

The overall expected return on assets is calculated as the weighted average of the expected returns on each individual asset class. The expected return on equities is the sum of inflation, the dividend yield, economic growth and investment expenses. The return on gilts and bonds is the current market yield on long term gilts and bonds. The expected return on property has been set equal to the expected return on equities. The expected return on other assets is the current interest rate set by the Bank of England.

	2020	2019
	£000	£000
Actuarial return on Plan assets	6,423	(1,410)

Principal actuarial assumptions at the Statement of Financial Position date

	2020	2019	2018
RPI Inflation	2.95%	3.20%	3.25%
CPI inflation	2.05%	2.10%	2.15%
Rate of increase in salaries	N/A	N/A	N/A
Pension increases:			
- Pension accrued before 6 April 1997	0.00%	0.00%	0.00%
- Pension accrued after 6 April 1997	2.90%	3.10%	3.20%
- Pension accrued after 6 April 2005	2.20%	2.20%	2.20%
Discount Rate	1.70%	2.70%	2.60%

Mortality assumption The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member who retires in 2040 (2039) at age 65 will live on average for a further 24 (24) years after retirement if they are male and for a further 25 (26) years after retirement if they are female

Sensitivity analysis of the principal assumptions used to measure Plan liabilities:

The sensitivities regarding the principal assumptions used to measure the Plan liabilities are set out below:

Assumption	Change in assumption	Impact on Plan liabilities
Discount rate	Increase/decrease by 1%	Decrease/increase by 13.1%
Rate of inflation	Increase/decrease by 1%	Increase/decrease by 10.3%

Future contributions

Contribution to be paid to the Plan by the Group next year is £0.240m.

HALL & WOODHOUSE LIMITED

Five-Year Statement

FRS 102

	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
ASSETS EMPLOYED					
Overdraft	-	(1,583)	-	-	(1,071)
Net Current Liabilities	(908)	(5,537)	(7,211)	(4,015)	(5,008)
Investments and Trade Loans	914	879	956	1,013	1,140
Fixed Assets	194,328	199,362	193,634	190,111	184,392
	<u>194,334</u>	<u>193,121</u>	<u>187,379</u>	<u>187,109</u>	<u>179,453</u>
CAPITAL EMPLOYED					
Equity	122,702	120,297	118,690	111,874	109,739
Preference Capital	200	200	200	200	200
Medium Term Liabilities	54,594	56,456	53,107	58,860	54,219
Long Term Liabilities	10,076	9,184	8,943	7,886	9,065
Net Pension Liability	6,762	6,984	6,439	8,289	6,230
	<u>194,334</u>	<u>193,121</u>	<u>187,379</u>	<u>187,109</u>	<u>179,453</u>
PROFITS and DIVIDENDS					
	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Turnover	116,569	114,808	110,110	107,713	108,554
Operating Profit	8,891	8,967	7,944	9,110	10,021
Items excluded from underlying results	(1,552)	(707)	248	(20)	(1,017)
Operating Profit	<u>7,339</u>	<u>8,260</u>	<u>8,192</u>	<u>9,090</u>	<u>9,004</u>
Interest Receivable	46	49	46	58	57
Interest Payable	(2,179)	(2,151)	(2,214)	(2,299)	(2,280)
Trading Profit before Taxation	5,206	6,158	6,024	6,849	6,781
Profit on Sales of Assets	738	(138)	3,262	(350)	1,260
Profit before Taxation	<u>5,944</u>	<u>6,020</u>	<u>9,286</u>	<u>6,499</u>	<u>8,041</u>
Taxation	(1,826)	(1,525)	(1,635)	(1,384)	(851)
Preference Dividend	(7)	(7)	(7)	(7)	(7)
Earnings for Ordinary Shareholders	<u>4,111</u>	<u>4,488</u>	<u>7,644</u>	<u>5,108</u>	<u>7,183</u>
Ordinary Dividends	(1,836)	(2,352)	(2,352)	(2,352)	(2,322)
Transfer to Reserves	<u>2,275</u>	<u>2,136</u>	<u>5,292</u>	<u>2,756</u>	<u>4,861</u>
Earnings per Ordinary Share	£6.85	£7.49	£12.74	£8.51	£11.97
Dividend per £1 Ordinary Share	Pence	Pence	Pence	Pence	Pence
Net Ordinary Dividend Paid/Proposed	180	396	392	392	392