HALL & WOODHOUSE

REPORT AND ACCOUNTS 2021

HALL & WOOD HOUSE ESTABLISHED 1777 BAR RESTAURANT HOME

COLOURFUL

BADGER DORSET BREWERS

CONTENTS

Directors and Advisers

Directors	A W WOODHOUSE, MA *(Chairman)* †
	T CLARKE, MA * # †
	A ELLIOTT *(appointed 1st September 2020)* * # †
	L R GRAY, BSC (Hons), MA *(Next Gen Director. Resigning 23rd July 2021)*
	M JAMES, LLB (Hons)
	M R KEARSEY, BA (Hons) *(Managing)* # †
	D J LIVESEY, FCIPD
	P D BARNETT, FCA, BSc (Hons) *(appointed 6th July 2020)*
	M A STREET, OBE *(Resigned 15th May 2020)*
	M J M WOODHOUSE, MBA * # † *(Family Director)*
	* denotes member of the Audit Committee
	# denotes member of the Remuneration Committee
	† 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	MOORE BARLOW LLP Gateway House, Tollgate, Chandler's Ford, Southampton, Eastleigh, SO53 3TG
Secretary	M JARVIS
Registered Office	The Brewery, Blandford St. Mary, Dorset DT11 9LS
Registered No	00057696

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

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND TWENTY-THIRD ANNUAL GENERAL MEETING of the Company will be held at The Brewery, Blandford St Mary, DT11 9LS on Friday the 23rd day of July, 2021 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 30 January 2021.

2) To elect directors, namely: A ELLIOTT.

3) To re-elect retiring directors, namely: M WOODHOUSE.

4) To re-appoint the auditors, NEXIA SMITH & WILLIAMSON.

5) To authorise the directors to determine the remuneration of the auditors.

6) 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.

7) To approve the ordinary share price for the purposes of the Hall & Woodhouse internal share market.

8) To transact any other ordinary business of the Company.

By order of the Board

M JARVIS
Secretary

THE BREWERY
BLANDFORD ST. MARY
DORSET
26 May 2021

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.

Results at a Glance

	2021	*2020*	*% Change*
	£000	*£000*	*Year on Year*
TURNOVER	71,460	116,569	(38.7%)
OPERATING (LOSS)/PROFIT	(8,494)	8,891	(195.5%)
INTEREST PAYABLE	(2,001)	(1,994)	(0.4%)
UNDERLYING (LOSS)/PROFIT BEFORE TAXATION	**(10,491)**	**6,943**	**(251.1%)**
EXCEPTIONAL ITEMS	(4,577)	(999)	558.2%
(LOSS)/PROFIT BEFORE TAXATION	(15,068)	5,944	(353.5%)
TAXATION	419	(1,826)	+122.9%
(LOSS)/PROFIT AFTER TAXATION	(14,649)	4,118	(455.7%)
(LOSS)/EARNINGS PER ORDINARY SHARE*	**(£24.42)**	**£6.86**	**(456.0%)**
DIVIDEND PER ORDINARY SHARE (Paid and proposed)**	**£0.90**	**£1.80**	**(50.0%)**

* Earnings per ordinary share is calculated (loss)/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. The dividend paid during the year was solely in respect of the prior year interim dividend paid prior to the commencement of the COVID-19 pandemic. No dividends have been declared or paid since that point.

Chairman's Statement

H&W can add the last 14 months and the coronavirus pandemic to the list of major upheavals that it has had to weather over its 244 year history. Your company is not only surviving but indeed is well placed to recover quickly and get back to growth as the hospitality industry is allowed to reopen. There are three primary reasons for this resilience:

(1) the company has been built over many generations on a freehold basis with limited borrowings;

(2) the fabulous work that the team under Matt Kearsey's leadership has done in getting us into battle formation and then back open safely...a number of times; and

(3) the H&W Family culture that has supported our teams, our Business Partners and the communities in which we operate through the dark days.

The impact on our trading results of our pubs being closed or heavily restricted for so much of the year has been dramatic: turnover has fallen by 38.7% to £71.5 million (2020 - £116.6 million); a loss before tax of £10.5 million on ongoing operations was incurred (2020 - profit of £6.9 million); and a total loss before tax (including exceptional items and property impairment charges) of £15.1 million was incurred (2020 - profit £5.9 million). However, due to the efforts of the team to conserve cash and our conservative accounting policies, net borrowings only increased by £10.3m to £60.9 million. The latter remains at a comfortable level given our extensive freehold property assets and strong cash generating potential.

We are grateful for the support that our industry has received from HM Government. It is worth noting, however, that even after netting off monies received, we were still a net tax contributor in the year and in the previous financial year our total contribution was £31.2 million.

A significant portion of our banking facilities are due to expire within 12 months. This has led to the comments in the accounts relating to material uncertainty. We are very confident, however, that we will be able to refinance our facilities during the course of the year with our strongly supportive relationship banks.

From a trading perspective, the one positive has been the offtrade business for Badger, agency and Rio. Not only has the market grown due to increased drinking at home with the ontrade being closed, but Badger has gained significant market share in addition. The loss of ontrade volumes was as a result more than offset by the increase in the off trade. The Brewery team have done a remarkable job in keeping up with demand in the challenging operating environment. Rio quickly recouped the losses in volume from the first lockdown and ended up year on year. Since the year end, the sales and distribution of Rio has been successfully transferred to Boost Drinks who we believe will further accelerate Rio's growth.

At the time of writing, our pubs are beginning to reopen. We are proceeding cautiously to ensure we provide first class hospitality in an environment that is safe for both our guests and our teams. Our Business Partners are in a strong position to recover quickly not least due to the market leading support we have provided them. We have an excellent pipeline of pub acquisitions which will help fuel our recovery, but we will err on the side of prudence until we are sure the pandemic is behind us.

It is in challenging times that it becomes obvious whether companies really live by their values and in accordance with their stated purpose. I am incredibly proud to be part of the broad H&W Family that has demonstrated so clearly that it means what it says. As shareholders, we owe a huge debt of gratitude to Matt Kearsey and the team for navigating the company through as difficult a time as it has faced at any point in its history.

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, business partners, 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 £1 million 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 ongoing COVID-19 pandemic and the impact that it is continuing to have on the Group's operations, specifically the requirement for all public houses to have been closed for much of 2020 and the first part of 2021. We have taken such steps as necessary to protect our business (e.g. by using the Government's furlough scheme and applying for government grants) and will continue to monitor the situation throughout 2021 as conditions hopefully ease.

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:

	2021	2020	Definition, method of calculation and analysis
(Decline)/Increase in sales (%)	(38.7%)	1.5%	Year on year sales movement expressed as a percentage. Although our takehome sales had a strong year, this was eclipsed by the loss of sales due to the COVID-19 response measures.
Operating margin (%)	(12.6%)	7.6%	Operating margin is the ratio of underlying operating profit/(loss) before interest and disposals, to sales expressed as a percentage. The hospitality industry as a whole faced unprecedented pressures including costs of closure or reduced trading for much of the year.
Return on invested capital (%)	(8.5%)	7.2%	Operating profit expressed as a percentage of net assets. The negative return reflects the losses incurred during the year.

This report was approved and authorised for issue by the Board of Directors on 26 May 2021.

M JARVIS
Secretary

M Jarvis

Directors' Report

PROFITS AND DIVIDEND

The Group loss for the year was £14.6 million (2020 - profit of £4.1 million). Ordinary interim dividends of £0.5 million and the preference dividend of £0.003 million were paid during the year.

TREASURY POLICY AND FINANCIAL RISK MANAGEMENT

In order to minimise credit risk relating to financial loss resulting from a customer's failure to meet its 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 of up to ten years for approximately 70% of borrowings; we have contracts in place until 2028.

The Group also hedges against foreign exchange exposures where it is considered appropriate. These hedges never exceed 18 months.

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 £8.4m (2020 - £10.0m). 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. During 2021, these briefings have taken place remotely recognising their importance even though people were not able to meet in person.

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

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

Directors' Report (continued)

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. No bonuses were paid in relation to this financial year.

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 £151,549 (2020 - £152,087) for charitable purposes.

ENERGY AND CARBON REPORTING

GHG emissions and energy usage

GHG emissions and energy usage data	
	UK
	2021
Emissions from combustion of gas (Scope 1 – tonnes of CO_2e)	2,666
Emissions from combustion of fuel for transport purposes (Scope 1 – tonnes of CO_2e)	159
Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 – tonnes of CO_2e)	757
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 - tonnes of CO_2e)	102
Total gross CO_2e based on above	**3,684**
Energy consumption used to calculate emissions - kwh	
Tonnes of CO_2e per £m revenue	51.54

Emissions have been calculated using meter readings and mileage records and converted into tonnes of CO_2e using the UK Government GHG Conversion Factors for Company Reporting.

The boundary used for collation of the above data includes the Brewery, Head Office, and our Managed Houses; our distribution and Business Partner sites are not included.

Energy efficiency actions taken

We have carried out a successful green trial in our managed houses which we are looking to expand across the remaining houses. During the year we opened our latest purpose-built pub, where we have included energy saving measures such as PV panels and ambient cellar cooling.

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 May 2021.

M JARVIS
Secretary
26 May 2021

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 30 January 2021, which comprise the Consolidated Income Statement, Consolidation Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and the notes to the financial statements, including 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 30 January 2021 and of the group's loss 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 RELATED TO GOING CONCERN

We draw attention to the going concern accounting policy on page 21 of the notes to the financial statements concerning the group's and parent company's ability to continue as a going concern. This note indicates that there is a requirement to refinance a significant proportion of the Group's borrowing facilities within the next 12 months.

As stated in this accounting policy, these conditions indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report (continued)

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 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 10, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the group and parent company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the group and parent company's industry and regulation.

We understand that the group and parent company complies with the framework through:

- Outsourcing tax compliance to external experts.
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary.

Independent Auditors' Report (continued)

- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the group and parent company's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the group and parent company:

- The Companies Act 2006 and FRS102 in respect of the preparation and presentation of the financial statements.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent company's ability to operate or to avoid a material penalty. These included data protection regulations, licensing regulations, occupational health and safety regulations, responsible drinking regulations, planning and building legislation and employment legislation.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via fraudulent journal entries, particularly as the size of the group and parent company means that there is little opportunity for segregation of duties.
- Government Grants, via fraudulent claims, due to the size of grants made.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Substantive work on material areas affecting profits.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those posted at unusual times.
- Reviewing Government Grant claims and expert opinion on the validity of these claims.

Overall, the senior statutory auditors was satisfied that the engagement team collectively has the appropriate competence and capabilities to identify or recognise irregularities.

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

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.

Nexia Smith & Williamson

Andrew Edmonds
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants
26 May 2021

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

Consolidated Income Statement
for the year ended 30 January, 2021

	Notes	*2021* *£000* Underlying Results	*2021* *£000* Items Excluded from Underlying Results	*2021* *£000* Total	*2020* *£000* Underlying Results	*2020* *£000* Items Excluded from Underlying Results	*2020* *£000* Total
Turnover	1	71,460	-	71,460	116,569	-	116,569
Operating costs	3(a)&(b)	(87,880)	(3,585)	(91,465)	(107,679)	(483)	(108,162)
Other operating income		7,926	-	7,926	-	-	-
Other (losses)/gains		-	(175)	(175)	2	(1,070)	(1,068)
OPERATING (LOSS)/PROFIT	4	(8,494)	(3,760)	(12,254)	8,891	(1,552)	7,339
(Loss)/Profit on sales of properties		-	(703)	(703)	-	738	738
(LOSS)/PROFIT on ordinary activities before interest		(8,494)	(4,463)	(12,957)	8,891	(814)	8,077
Interest receivable	7	4	-	4	46	-	46
Interest payable and similar charges	8	(2,001)		(2,001)	(1,994)	-	(1,994)
Net interest on pension liabilities	8	-	(114)	(114)	-	(185)	(185)
(LOSS)/PROFIT on ordinary activities before taxation		(10,491)	(4,577)	(15,068)	6,943	(999)	5,944
TAXATION on (loss)/profit of ordinary activities	9	419	-	419	(1,826)	-	(1,826)
(LOSS)/PROFIT FOR THE YEAR		(10,072)	(4,577)	(14,649)	5,117	(999)	4,118

All amounts relate to continuing operations

Consolidated Statement of Comprehensive Income
for the year ended 30 January, 2021

	Notes	*2021* *£000*	*2020* *£000*
(LOSS)/PROFIT FOR THE YEAR		(14,649)	4,118
Actuarial (loss)/gain relating to net pension liability	29	(2,285)	167
Deferred tax associated with actuarial (loss)/gain relating to net pension liability		558	(37)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(16,376)	4,248

Consolidated and Company Statement of Financial Position as at 30 January, 2021

		Group		Company	
		2021	2020	2021	2020
	Notes	£000	£000	£000	£000
Fixed Assets					
Plant, property and Equipment	11	189,200	194,328	189,315	194,443
Investments	12	852	914	852	914
		190,052	195,242	190,167	195,357
Current Assets					
Inventories	13	3,747	4,055	3,747	4,055
Debtors	14	10,630	13,182	10,608	13,163
Cash at bank and in hand	15	395	1,433	391	1,433
		14,772	18,670	14,746	18,651
Creditors: amounts falling due within one year	16	(36,230)	(19,578)	(36,730)	(20,037)
Net Current Liabilities		(21,458)	(908)	(21,984)	(1,386)
Total Assets less Current Liabilities		168,594	194,334	168,183	193,971
Creditors: amounts falling due after more than one year	17	(42,778)	(54,594)	(42,778)	(54,594)
Provisions for Liabilities and Charges	20	(10,846)	(10,076)	(10,846)	(10,076)
Net Assets excluding Pension Liability		114,970	129,664	114,559	129,301
Pension Liability	29	(8,987)	(6,762)	(8,987)	(6,762)
Net Assets		105,983	122,902	105,572	122,539
Capital and Reserves					
Called-up share capital	21	800	800	800	800
Revaluation reserve		332	332	332	332
Profit & Loss Account		104,851	121,770	104,440	121,407
Total Equity		105,983	122,902	105,572	122,539

The Company's loss for the year was £17.0 million (2020 - profit of £4.1 million). The Financial Statements of Hall & Woodhouse Limited, registration number 00057696, were approved by the Board of Directors on 26 May 2021 and signed on its behalf by:

P D Barnett

M R Kearsey

Directors

Consolidated Statement of Changes in Equity as at 30 January, 2021

	Share Capital £000	*Revaluation Reserve £000*	*Profit and Loss Account £000*	*Total Equity £000*
At 26 January 2019	**800**	**332**	**119,365**	**120,497**
Profit for the year	-	-	4,118	4,118
Total Comprehensive Income	-	-	130	130
Dividends	-	-	(1,843)	(1,843)
At 25 January 2020	**800**	**332**	**121,770**	**122,902**
Loss for the year	-	-	(14,649)	(14,649)
Total Comprehensive Loss	-	-	(1,727)	(1,727)
Dividends	-	-	(543)	(543)
At 30 January 2021	**800**	**332**	**104,851**	**105,983**

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.

Consolidated Cash Flow Statement as at 30 January, 2021

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			(14,649)		4,118
ADJUSTMENTS FOR					
Depreciation of plant property and equipment	11	6,817		6,735	
Impairment of plant property and equipment	11	2,907		-	
Decrease/(Increase) in debtors		3,974		(4,806)	
Decrease in inventories		308		42	
(Decrease)/Increase in creditors		(4,048)		1,294	
Decrease in provisions		111		330	
Defined benefit charges		54		(55)	
Revaluation of financial instruments		183		1,070	
Taxation		(419)		1,826	
(Profit)/Loss from sale of plant property and equipment		703		(738)	
Interest received		(4)		(46)	
Interest paid		2,001		1,994	
CASH FROM OPERATIONS			(2,062)		11,949
Income taxes paid		(371)		(1,053)	
NET CASH GENERATED FROM OPERATING ACTIVITIES			(2,433)		10,896
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of plant property and equipment		3,065		9,086	
Purchases of plant property and equipment	11	(8,363)		(10,047)	
Interest received	7	4		46	
Trade loans advanced	12	(180)		(548)	
Trade loans repaid	12	241		513	
NET CASH FROM INVESTING ACTIVITIES			(5,232)		(952)
CASH FLOW FROM FINANCING ACTIVITIES					
Movement in loans	15	7,000		(3,000)	
Interest paid	8	(2,115)		(2,179)	
Dividends paid on ordinary shares	10	(540)		(1,836)	
Dividends paid on preference shares	10	(3)		(7)	
NET CASH FROM FINANCING ACTIVITIES			4,342		(7,022)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	15		(3,324)		2,922

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 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 30 January 2021. Intra Group sales and profits 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 value of committed future expenditure on assets under construction at the year end is included within note 23, Financial Commitments.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss previously recognised the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value would have been had no impairment been recognised.

Statement of Accounting Policies (continued)

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.

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.

During the year the business received reductions in certain lease costs from our lessors for specific periods due to COVID19 restrictions, these are not incentives and have been recognised to the income statement on an accruals basis.

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 an allocation of 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.

Statement of Accounting Policies (continued)

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.

The pension scheme liability has been valued by an actuary in accordance with FRS102. Key estimations are shown in 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 satisified:

* 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.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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 30 January 2021 was £189.2m (2020 - £194.3m). An impairment provision of £2.9m was made during the year (2020 - nil).

Statement of Accounting Policies (continued)

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 30 January 2021 was £299,712 (2020 - £183,317).

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 30 January 2021 was £70,583 (2019 - £2,492).

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 30 January 2021 was £64,845 (2020 - £102,491).

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 completed. 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 30 January 2021 was £507,209 (2020 - £362,874).

Going Concern

As at 29 January 2021, the Group had cash of £0.4 million and borrowings of £61.3 million representing net debt of £60.9 million. Management has completed a cash flow forecast for the next 18 months using conservative assumptions which take in to account the current status of the COVID-19 pandemic and the additional government support that is currently available. These forecasts show that the Group will remain within its existing £75 million facilities throughout the going concern period.

If the effects of the pandemic take longer to pass than currently forecast, then there are a number of mitigating actions available to management principally the deferral of non-committed capital expenditure, which would ensure that Group does not exceed its current facilities.

In January 2022, £55 million of the £75 million facilities will though require renewal. The intention is to hold a full refinancing exercise in October 2021 both with existing and additional lenders. All banks have confirmed their commitment to participate and based on the support received over the past twelve months, management has a high degree of confidence that the refinancing will be completed. However, as the completion of the refinancing exercise is not wholly within management's control, this represents a material uncertainty which could cause significant doubt upon the Group's continued ability to operate as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements, and the financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.

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 2021 £000	Items Excluded from Underlying Results 2021 £000	Total 2021 £000	Before Items Excluded from Underlying Results 2020 £000	Items Excluded from Underlying Results 2020 £000	Total 2020 £000
Decrease/(Increase) in stocks of finished goods and work in progress		94	-	94	(50)	-	(50)
Raw materials, consumables and goods for resale		24,760	-	24,760	30,765	-	30,765
Team costs	- wages and salaries	24,240	-	24,240	28,448	-	28,448
	- social security costs	2,090	-	2,090	2,471	-	2,471
	- other pension costs	790	-	790	834	-	834
Depreciation	- owned assets	6,818	-	6,818	6,735	-	6,735
Impairment	- tangible assets	-	2,907	2,907	-	-	-
Other operating income		(536)	-	(536)	(132)	-	(132)
Other operating charges		29,624	678	30,302	38,608	483	39,091
		87,880	3,585	91,465	107,679	483	108,162

3(b) EXCEPTIONAL ITEMS

	2021 £000	2020 £000
Operating Costs:		
Impairment	2,907	-
Leasehold dilapidations	298	364
Onerous rent provision on leased pubs	(90)	57
Other items	470	62
	3,585	483
Other Losses/(Gains):		
Interest rate swap fair value movement	183	1,070
Forward Foreign Exchange Contracts	(9)	-
	175	1,070

Notes to the Accounts (continued)

		2021	2020
4	**OPERATING PROFIT is stated after charging:**	*£000*	*£000*
	Hire of plant and equipment	432	391
	Auditors' remuneration - Audit services	47	46
	Non audit services paid to Auditor related companies - Taxation Services	19	52

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

		2021	2020
5	**EMOLUMENTS OF DIRECTORS**	*£000*	*£000*
	Emoluments	881	1,491
	National Insurance contributions of Employers	135	237
	Total company contributions to :-		
	Defined contribution pension scheme	45	83
		Number	*Number*
	Members of defined contribution pension scheme	5	7

The amounts in respect of the highest paid director are as follows :-	*2021*	*2020*
	£000	*£000*
Basic salary, fees and benefits	191	271
Annual bonus	-	59
Total Emoluments	191	330
Contribution to defined contribution pension scheme	-	10

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:-	*2021*	*2020*
	Number	*Number*
Brewery Site	199	202
Managed Houses	1,257	1,286
	1,456	1,488

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

		2021	2020
7	**INTEREST RECEIVABLE**	*£000*	*£000*
	Interest on trade and other loans	4	46

		2021	2020
8	**INTEREST PAYABLE AND SIMILAR CHARGES**	*£000*	*£000*
	Overdraft	4	14
	Bank Loans	1,865	1,884
	Other	132	96
	Interest payable before net interest on pension liability	2,001	1,994
	Net interest on pension liability	114	185
		2,115	2,179

Notes to the Accounts (continued)

9 TAXATION

	2021 £000	2020 £000
Analysis of tax charge on ordinary activities:		
UK corporation tax at 19% (2020 - 19%)	-	1,285
Adjustments relating to prior years	(1,636)	17
	(1,636)	1,302
Deferred taxation:		
Adjustments relating to prior years	(19)	12
Deferred taxation	182	512
Effect of tax rate change on opening balances	1,054	-
	(419)	1,826
Factors affecting tax charge:		
Expected tax charge on Profit on Ordinary Activities at 19% (2020 - 19%)	(2,863)	1,129
Fixed asset differences	1,095	314
Expenses not deductible for tax purposes	154	254
Income not taxable for tax purposes	(36)	(32)
Losses carried back	1,661	-
Amounts (charged)/credited directly to equity or otherwise transferred	-	32
Adjustment to tax charge in respect of prior periods	(1,636)	17
Adjustment to tax charge in respect of prior periods - deferred tax	(19)	12
Effect of tax rate change on opening balances - deferred tax	1,189	-
Deferred taxation	(302)	550
Defined benefit scheme timing differences	558	(38)
Capital Allowances in Excess of Depreciation	(220)	(412)
Current tax charge for the period	(419)	1,826

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

		2021 £000	2020 £000
Preference		3	7
Ordinary :-			
– interim in respect of prior year	90p per share (2020: 0p)	540	-
– final in respect of prior year	0p per share (2020: 216p)	-	1,296
– first interim for current year	0p per share (2020: 90p)	-	540
		543	1,843

Notes to the Accounts (continued)

11 PROPERTY, PLANT AND EQUIPMENT

	Freehold property and fixtures	Leasehold property and fixtures over 50 years	Leasehold property and fixtures under 50 years	Plant and vehicles	Containers furniture & effects	Total
GROUP	*£000*	*£000*	*£000*	*£000*	*£000*	*£000*
Cost or valuation						
At 25 January 2020	191,354	5,671	11,637	21,698	42,174	272,534
Additions	5,032	-	-	271	3,060	8,363
Reclassification	81	-	-	-	(81)	-
Disposals	(3,896)	-	(50)	(12)	(1,035)	(4,993)
Impairment	(2,907)	-	-	-	-	(2,907)
At 30 January 2021	189,664	5,671	11,587	21,957	44,118	272,997
At valuation 1963	1,457	12	14	-	-	1,483
At cost thereafter	188,207	5,659	11,573	21,957	44,118	271,514
	189,664	5,671	11,587	21,957	44,118	272,997
Depreciation						
At 25 January 2020	29,464	625	8,007	12,612	27,498	78,206
Charge for the year	2,020	68	398	1,071	3,260	6,817
Reclassification	(1)	-	1	-	-	-
Disposals	(541)	-	(28)	(11)	(645)	(1,225)
At 30 January 2021	30,942	693	8,378	13,672	30,113	83,797
Net book values						
At 30 January 2021	158,722	4,978	3,209	8,285	14,006	189,200
At 25 January 2020	161,890	5,046	3,630	9,086	14,676	194,328
COMPANY						
Cost or valuation						
At 25 January 2020	191,469	5,671	11,637	21,698	42,174	272,649
Additions	5,032	-	-	271	3,059	8,362
Reclassification	81	-	-	-	(81)	-
Disposals	(3,896)	-	(50)	(12)	(1,034)	(4,992)
Impairment	(2,907)	-	-	-	-	(2,907)
At 30 January 2021	189,779	5,671	11,587	21,957	44,118	273,112
At valuation 1963	1,457	12	14	-	-	1,483
At cost thereafter	188,322	5,659	11,573	21,957	44,117	271,629
	189,779	5,671	11,587	21,957	44,117	273,112
Depreciation						
At 25 January 2020	29,464	625	8,007	12,612	27,498	78,206
Charge for the year	2,020	68	398	1,071	3,260	6,817
Reclassification	(1)	-	1	-	-	-
Disposals	(541)	-	(28)	(11)	(645)	(1,226)
At 30 January 2021	30,942	693	8,378	13,672	30,113	83,797
Net book values						
At 30 January 2021	158,837	4,978	3,209	8,285	14,005	189,315
At 25 January 2020	162,005	5,046	3,630	9,086	14,676	194,443

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.

Notes to the Accounts (continued)

During much of 2020 and early 2021, all pubs were required to close due to the restrictions imposed following the COVID-19 pandemic. This was considered an indicator of impairment for our entire pub estate. Consequently, the recoverable amount of all our pubs was calculated either being their fair value (expected proceeds from a sale to a third party) or their value-in-use (discounted cash flow). Six pubs were identified as having a recoverable amount lower than their carrying value and as a result an impairment charge of £2.9 million was recorded at 30 January 2021.

12 FIXED ASSET INVESTMENTS

	Group & Company	
	Trade loans	*Total*
	£000	*£000*
NET BOOK VALUE		
At 25 January 2020	914	914
Advances	180	180
Repayments/Write Offs	(241)	(241)
At 30 January 2021	852	852

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

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
Hall & Woodhouse Developments Limited	100%	England

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

13 INVENTORIES

	Group & Company	
	2021	*2020*
	£000	*£000*
Raw materials and consumables	662	547
Finished goods	2,245	2,339
Goods for resale	460	723
Other stocks	380	446
	3,747	4,055

Notes to the Accounts (continued)

14 DEBTORS

	Group		Company	
	2021	*2020*	*2021*	*2020*
	£000	*£000*	*£000*	*£000*
Trade debtors	5,774	9,655	5,752	9,636
Prepayments and accrued income	3,434	3,527	3,434	3,527
Taxation	1,422	-	1,422	-
	10,630	13,182	10,608	13,163

15 ANALYSIS OF NET DEBT

	At 25 January 2020	*Cash Flow*	*At 30 January 2021*
	£000	*£000*	*£000*
Cash at bank & in hand	1,433	(1,038)	395
Bank Overdrafts	-	(2,285)	(2,285)
Loans	(52,000)	(7,000)	(59,000)
	(50,567)	(10,323)	(60,890)

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

16 CREDITORS - amounts falling due within one year

	Group		Company	
	2021	*2020*	*2021*	*2020*
	£000	*£000*	*£000*	*£000*
Trade creditors	3,492	6,735	3,492	6,735
Other creditors	790	1,548	790	1,548
Social security and other taxes	2,917	4,455	2,917	4,455
Taxation	-	585	-	555
Accruals and deferred income	6,594	5,260	6,577	5,137
Tenants' and other deposits	1,152	994	1,152	994
Bank Overdraft	2,285	-	2,285	-
Bank Loans (secured)	19,000	-	19,000	-
Owed by Group Companies	-	-	517	613
	36,230	19,577	36,730	20,037

17 CREDITORS - amounts falling due after more than one year

	Note	Group		Company	
		2021	*2020*	*2021*	*2020*
		£000	*£000*	*£000*	*£000*
Interest rate swaps	22	2,778	2,594	2,778	2,594
Bank loans (secured)		40,000	52,000	40,000	52,000
		42,778	54,594	42,778	54,594

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

Notes to the Accounts (continued)

18 LOANS

	Group & Company	
	2021	*2020*
	£000	*£000*
HSBC Bank plc		
£25 million loan facility with a variable interest rate linked to a fixed margin over LIBOR.	20,000	20,000
M&G Investments Ltd		
£20 million loan facility with a variable interest rate linked to a fixed margin over LIBOR.	20,000	20,000
Barclays Bank plc		
£25 million revolving credit loan facility with a variable interest rate linked to a fixed margin over LIBOR.	19,000	12,000
	59,000	52,000
Amounts repayable:		
In one year or less, or on demand	19,000	-
In more than one year but not more than two years	20,000	32,000
In more than two years but not more than five years	20,000	20,000
	59,000	52,000

19 FINANCIAL INSTRUMENTS

	Group		Company	
	2021	*2020*	*2021*	*2020*
	£000	*£000*	*£000*	*£000*
Financial Assets				
Cash at bank and in hand	395	1,433	391	1,433
Financial assets that are debt instruments measured at amortised cost	7,370	10,112	7,370	10,112
	7,765	11,545	7,761	11,545
Financial Liabilities				
Financial liabilities measured at amortised cost	54,296	66,413	54,296	69,413
Financial liabilities measured at fair value through profit and loss	2,778	2,594	2,778	2,594
	57,074	69,007	57,074	69,007

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

	Group		Company	
	2021	*2020*	*2021*	*2020*
	£000	*£000*	*£000*	*£000*
Deferred taxation	9,636	8,977	9,636	8,977
King & Barnes Ltd unfunded pension scheme	689	720	689	720
Other provisions	521	379	521	379
	10,846	10,076	10,846	10,076

Movement in deferred taxation provision:	Group		Company	
	2021	*2020*	*2021*	*2020*
	£000	*£000*	*£000*	*£000*
At 25 January 2020	8,977	8,415	8,977	8,415
Charge for the year	(376)	550	(376)	550
Prior year adjustment	(19)	12	(19)	12
Effect of change of tax rate	1,054	-	1,054	-
At 30 January 2021	9,636	8,977	9,636	8,977

The balance comprises:	Group		Company	
	2021	*2020*	*2021*	*2020*
	£000	*£000*	*£000*	*£000*
Corporation tax on excess of book value of fixed assets over tax written-down values	11,298	9,884	11,298	9,884
Deferred Taxation on Pension provision	(1,708)	(1,150)	(1,708)	(1,150)
Other timing differences	46	243	46	243
	9,636	8,977	9,636	8,977

The deferred tax liability has not been discounted.

21 CALLED-UP SHARE CAPITAL

	Authorised		Allotted, called-up and fully paid	
	2021	*2020*	*2021*	*2020*
	£000	*£000*	*£000*	*£000*
3.5% cumulative preference shares of £1 each	200	200	200	200
Ordinary shares of £1 each	600	600	600	600
	800	800	800	800

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 million (2020 - £40 million) 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 30 January 2021 authorised future capital expenditure amounted to:

	Group		Company	
	2021	*2020*	*2021*	*2020*
	£000	*£000*	*£000*	*£000*
	1,332	4,945	1,332	4,945

Obligations under operating leases as at 30 January 2021 fall due as follows:

	Group		Company	
	2021	*2020*	*2021*	*2020*
	£000	*£000*	*£000*	*£000*
(a) within one year	293	351	293	351
(b) in two to five years	383	518	383	518
	676	869	676	869

24 RENT RECEIVABLE UNDER OPERATING LEASES

At 30th January 2021 the Group had future minimum lease payments receivable under non-cancellable operating leases as follows:

	Group		Company	
	2021	*2020*	*2021*	*2020*
	£000	*£000*	*£000*	*£000*
(a) within one year	902	950	902	950
(b) in two to five years	1,950	2,399	1,950	2,399
(c) over five years	5,158	5,210	5,158	5,210
	8,010	8,559	8,010	8,559

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 £137k were paid to four directors who were also shareholders of the company, £70k as beneficiaries and £67k 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

On 12 April 2021, pubs were allowed to open their outside spaces.

28 PROFIT AND LOSS ACCOUNT

Revaluation Reserve

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

Profit and Loss Account

The Profit and Loss Account represents cumulative gains and losses, 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 2020 and updated on an approximate basis to 30 January 2021. 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 £0.2 million (2020 - £0.2 million) in accordance with the schedule of contributions. The contributions to the Plan for the forthcoming year are expected to be £0.3m. 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

	2021 *(£000)*			2020 *(£000)*			2019 *(£000)*		
	The Plan	**King & Barnes**	**Total**	**The Plan**	**King & Barnes**	**Total**	**The Plan**	**King & Barnes**	**Total**
Assets	38,121	2,845	**40,966**	38,749	2,805	**41,554**	34,629	2,720	**37,349**
Liabilities	44,125	5,828	**49,953**	42,657	5,659	**48,316**	39,244	5,089	**44,333**
(Deficit)/ Surplus	(6,004)	(2,983)	**(8,987)**	(3,908)	(2,854)	**(6,762)**	(4,615)	(2,369)	**(6,984)**
Related deferred tax asset/(liability)	1,021	507	**1,528**	664	485	**1,150**	785	402	**1,187**
Net Pension asset/(liability)	(4,983)	(2,476)	**(7,459)**	(3,244)	(2,369)	**(5,612)**	(3,830)	(1,967)	**(5,797)**
Assets									
Equities	19,540	130	**19,670**	17,181	130	**17,311**	15,953	130	**16,083**
Emerging Markets	-	-	-	1,935	-	**1,935**	1,699	-	**1,699**
Bonds	8,762	-	**8,762**	9,323	-	**9,323**	7,976	-	**7,976**
Gilts	9,595	536	**10,131**	10,124	536	**10,660**	8,875	536	**9,411**
Company Pension Promise	-	690	**690**	-	720	**720**	-	753	**753**
Other	224	1,489	**1,713**	186	1,419	**1,605**	126	1,301	**1,427**
Total	38,121	2,845	**40,966**	38,749	2,805	**41,554**	34,629	2,720	**37,349**

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

	2021 £000	2020 £000
Present value of defined benefit obligation at beginning of year	48,316	44,333
Interest cost	815	1,164
Actuarial loss/(gain) on Plan liabilities	2,730	5,277
Benefits paid	(1,914)	(2,458)
Past service cost	6	-
Present value of defined benefit obligation at end of year	49,953	48,316

Reconciliation of fair value of Plan assets

	2021 £000	2020 £000
Fair value of Plan assets at start of year	41,554	37,349
Expected return on Plan assets	701	979
Actuarial gain/(loss) on Plan assets	445	5,444
Contributions by the Company	180	240
Benefits paid	(1,914)	(2,458)
Fair value of Plan assets at end of year	40,966	41,554

Amounts to be recognised in the Statement of Financial Position

	2021 £000	2020 £000
Present value of funded obligation	40,966	41,554
Fair value of Plan assets	(49,953)	(48,316)
Net liability in Statement of Financial Position	(8,987)	(6,762)

Amounts to be recognised in the Income Statement

	2021 £000	2020 £000
Interest on obligation	815	1,164
Expected return on Plan assets	(701)	(979)
Past service cost	6	-
Total expense	114	185

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.

	2021	*2020*
	£000	*£000*
Actuarial return on Plan assets	1,146	6,423

Principal actuarial assumptions at the Statement of Financial Position date

	2021	*2020*	*2019*
RPI Inflation	2.95%	2.95%	3.20%
CPI inflation	2.50%	2.05%	2.10%
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%	2.90%	3.10%
- Pension accrued after 6 April 2005	2.15%	2.20%	2.20%
Discount Rate	1.55%	1.70%	2.70%

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 (2040) at age 65 will live on average for a further 23 (24) years after retirement if they are male and for a further 26 (25) 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 12.99%
Rate of inflation	Increase/decrease by 1%	Increase/decrease by 9.96%

Future contributions

Contribution to be paid to the Plan by the Group next year is £0.3m.

HALL & WOODHOUSE LIMITED

Five-Year Statement

	FRS 102				
	2021	***2020***	***2019***	***2018***	***2017***
	£000	***£000***	***£000***	***£000***	***£000***
ASSETS EMPLOYED					
Overdraft	(2,285)	-	(1,583)	-	-
Net Current Liabilities	(19,173)	(908)	(5,537)	(7,211)	(4,015)
Investments and Trade Loans	852	914	879	956	1,013
Fixed Assets	189,200	194,328	199,362	193,634	190,111
	168,594	194,334	193,121	187,379	187,109
CAPITAL EMPLOYED					
Equity	105,783	122,702	120,297	118,690	111,874
Preference Capital	200	200	200	200	200
Medium Term Liabilities	42,778	54,594	56,456	53,107	58,860
Long Term Liabilities	10,846	10,076	9,184	8,943	7,886
Net Pension Liability	8,987	6,762	6,984	6,439	8,289
	168,594	194,334	193,121	187,379	187,109

PROFITS and DIVIDENDS

	2021	***2020***	***2019***	***2018***	***2017***
	£000	***£000***	***£000***	***£000***	***£000***
Turnover	71,460	116,569	114,808	110,110	107,713
Operating (Loss)/Profit	(8,494)	8,891	8,967	7,944	9,110
Items excluded from underlying results	(3,760)	(1,552)	(707)	248	(20)
Operating Profit	(12,254)	7,339	8,260	8,192	9,090
Interest Receivable	4	46	49	46	58
Interest Payable	(2,115)	(2,179)	(2,151)	(2,214)	(2,299)
Trading Profit before Taxation	(14,365)	5,206	6,158	6,024	6,849
Profit on Sales of Assets	(703)	738	(138)	3,262	(350)
Profit before Taxation	(15,068)	5,944	6,020	9,286	6,499
Taxation	419	(1,826)	(1,525)	(1,635)	(1,384)
Preference Dividend	(3)	(7)	(7)	(7)	(7)
Earnings for Ordinary Shareholders	(14,652)	4,111	4,488	7,644	5,108
Ordinary Dividends	(540)	(1,836)	(2,352)	(2,352)	(2,352)
Transfer to Reserves	(15,192)	2,275	2,136	5,292	2,756
Earnings per Ordinary Share	(£24.42)	£6.85	£7.49	£12.74	£8.51
Dividend per £1 Ordinary Share	Pence	Pence	Pence	Pence	Pence
Net Ordinary Dividend Paid/Proposed	90	180	396	392	392