Company Registration No. 01994330

BLUBECKERS LIMITED

Annual Report and Financial Statements
53 weeks ended 2 January 2022

BLUBECKERS LIMITED

CORPORATE INFORMATION
Registered No. 01994330

Directors
Kirk Davis
Andrew Hornby
Mary Willcock

Auditor
Ernst & Young LLP
Statutory Auditor
1 More London Place
London, SE1 2AF

Registered Office
5-7 Marshalsea Road
London, SE1 1EP

Solicitor
Slaughter and May
One Bunhill Row
London, United Kingdom

STRATEGIC REPORT

Principal activity and future developments
The principal activity of Blubeckers Limited (the "Company") during the period continued to be the operation of pubs. The Directors do not foresee any material changes to the activities of the Company.

Business review
The impact of Covid and related government restrictions continued to have a significant impact on the performance of the Company, with full trading only resuming from 17 May 2021 and subsequently the effect of the Omicron variant in December 2021. The seven months of unrestricted trading in comparison to only three in the previous year is reflected in the uplift in sales, with sales increasing by 52% to £22,904k (2020: £15,062k). The Company delivered an operating profit before exceptionals of £2,378k (2020: £1,115k). Exceptional items of £1,026k were recorded in the year (2020: £1,455k) of which a charge of £726k was due to the recognition of an impairment of non-current assets. Our estate is largely freehold asset backed. There has been no valuation conducted in the year but the latest market valuation of the freehold assets as at 27 December 2020, which is not expected to have materially moved, is £26,640k (2020: £26,640k).

The Company continued to access government support schemes to address the affects of the pandemic which included the Coronavirus Job Retention Scheme, reduced VAT rate, the business rates holidays and property grants. As full trading resumed in pubs, sales have recovered and exceeded forecasts.

Key performance indicators
Like-for-like (LFL) sales
This measure provides an indicator of the underlying performance of existing pubs. There is no accounting standard or consistent definition of 'like-for-like sales' across the industry. Company like-for-like sales are calculated by comparing the performance of all mature sites in the current period vs. the comparable period in the prior period. Sites that are closed, disposed or disrupted during a financial year are excluded from the LFL calculation.

Operating profit margin
The Board and management closely monitor profit margins as an indicator of operating efficiency within pubs and across the Company.

Adjusted EBITDA
The measure provides a proxy for the cash flows generated from the underlying business and is monitored closely. The Company defines adjusted EBITDA as operating profit before depreciation, amortisation and exceptional items.

Principal risks and uncertainties
The Directors regularly identify, monitor and manage potential risks and uncertainties to the Company and during the period, a robust assessment of the principal risks was carried out. The current principal risks and uncertainties facing the Company are listed below. This list is not presumed to be exhaustive and is, by its very nature, subject to change.

- Failure to attract, retain, or develop chefs, GMs, and senior managers.
- Risk of guests suffering from the failure to deliver our allergens policies and procedures, or inaccurate or insufficient information provided to guests concerning allergens.
- Risk of cybersecurity failure or incident leading to data loss, disruption of services, fines, and trading or reputational damage.
- Risk of significant cost increases across food, drink and utilities.
- Risk of loss of key supplier, jeopardising supply and availability.
- Risk that the distribution network is unable to meet the demands of our pubs.
- Risk of further disrupted trading due to new Coronavirus variants and Government actions impacting the business's ability to trade fully and/or impact consumer confidence.

The impact of rising interest rates and the ongoing inflationary pressure on key inputs to the operations present a risk to the Company through increasing costs. The Company is exposed to interest rate risk through interest charged on amounts due to group undertakings. Mitigating factors have been put in place to reduce the impact on the Company, which include the Group entering into an interest rate cap to limit the interest expense on the variable rate loan and hedging against utility costs through forward purchasing to limit the impact of energy inflation.

Approved by the Board of Directors and signed on its behalf by:

Kirk Davis
Director
12 July 2022

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the 53 week period ended 2 January 2022. The accounting year runs to a Sunday within seven days of 31 December each year which will be a 52 or 53 week period.

The comparative numbers used in the financial statements are for the 52-week period ended 27 December 2020.

Results and dividends

The Report and Accounts are drawn up on a 53 week reporting basis ending 2 January 2022 with a comparative 52 week period ending 27 December 2020. The loss after taxation for the period was £306k (2020: £2,222k). An interim dividend of £8,000k was paid out in the period (2020: interim dividend of £nil). The Directors do not recommend the payment of a final dividend (2020: final dividend of £nil).

Future developments

Details of future developments can be found as part of the Strategic Report on page 3.

Financial instruments and financial risk management

The Board of the Company regularly reviews the financial requirements of the Company within the context of its financing arrangements within the group of companies to which it belongs, The Restaurant Group plc. The Company and the Group do not use complicated financial instruments, and within the Group, where applicable financial instruments are used solely for the purpose of reducing interest rate risk. The Group operates a centralised cash pooling and payments system and the financial arrangements of the Group are principally transacted through The Restaurant Group plc and The Restaurant Group (UK) Limited, acting as a treasury function for other subsidiary companies of the Group. Due to the nature of the Company's operational and financial structure there is limited currency and credit risk. Credit risk exists through non-payment by customers although most transactions are settled either through cash or by credit cards, where the Group has an arrangement with major credit card suppliers. Currency risk is limited as the Company has no trading activity outside of the United Kingdom.

Directors

The names and details of the Company's directors in office during the period and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Kirk Davis
Andrew Hornby
Mary Willcock

Employees

All pubs receive regular communication packs with updates of what is happening within the Company. There are processes in place for monthly meetings within pubs to cascade information throughout the Company and, most importantly, senior managers spend a considerable amount of time visiting the pubs and discussing matters with the teams. The staff handbook clearly sets out that the Company offers equal employment rights regardless of age, colour, gender, sexual orientation, disability or religion and this is reinforced from the recruitment process onwards. There are clear and fair terms of employment within the Company, all staff are provided with a contract of employment or service agreement and there are fully documented procedures in place for disciplinary issues and grievances raised by employees.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Directors' liabilities

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

Environmental, Social and Governance

The Company are committed to doing business responsibly and acknowledge that we have a significant role to play in the communities and the wider environment in which we operate.

'Preserving The Future' is the Company's programme that shapes and drives our Environmental and Social agenda. We are committed to:

- operating ethically and sustainably;
- continuously finding ways to reduce our carbon footprint;
- further contributing to our communities; and
- improving the health and wellbeing of our customers and colleagues.

To drive progress and ensure strong governance is in place, our Preserving the Future programme has Executive sponsorship, a Steering Committee made up of Divisional leadership, including heads of key functional areas, and a dedicated head of sustainability and programme lead. TRG is accelerating business-wide environmental and social initiatives in a coordinated and target-driven programme. As founder members of the Zero Carbon Forum and co-chair of the emissions working groups (for scopes 1 and 2) we play an active role in developing sector-wide plans to reduce emissions across the value chain and are committed to net zero carbon emissions by 2035.

DIRECTORS' REPORT (Continued)

Environmental, Social and Governance (Continued)

We have outlined activity around key areas below:

1 Reducing our utilities consumption and associatedcarbon emissions;
2. Driving down carbon emissions in our supply chain;
3. Reducing our food waste and packaging;
4. Sourcing ethical, sustainable and healthy produce; and
5. Supporting our colleagues and the community.

Events after the balance sheet date

There are no events subsequent to the balance sheet date.

Section 172 statement

All decisions made by the management of the Company seek to enhance the long-term reputation of the business and the brand to drive benefits to each stakeholder. By engaging openly and with transparency with all stakeholders we can ensure we have comprehensively considered all the beneficiaries of the work we undertake both now and in the future.

The following table describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) in relation to our stakeholders and forms the directors' statement required under section 414CZA of The Companies Act 2006.

Stakeholder Group	How management and/or directors engaged	Key topics of engagement	Outcomes and actions
Investors			
Key metrics for our investors are: **· Operating profit margin** **· leverage and interest cover**	The key mechanism of engagement with our investors is through a roadshow of meetings organised by the group's brokers bi-annually , following the release of the interim and full year financial statements and accompanying investor presentations. Investors may also engage directly with TRG in respect of queries on an adhoc basis. Due to the effects of the Covid-19 pandemic, there were increased announcements to the market and engagement with investors over the last 2 years, with additional updates provided covering announcements of capital raises, refinancing, restructuring and trading updates . The relationship with the Company's investors is managed by the parent company.	Routine engagement with investors in respect of business performance and strategy.	The key mechanism of engagement with our investors is through a half yearly investor presentation and financial reporting. Investors may also engage directly with TRG in respect of ongoing queries. Due to the ongoing pandemic throughout the year, there was more dialogue with TRG's institutional investors keeping them updated regularly on business performance throughout the period.
Suppliers			
We have established relationships with suppliers across all core procurement areas, including pub suppliers, construction and property. **Key metrics for our suppliers are:** **· quality and service standards** **· payments made within payment terms** **· environmental impact through carbon footprint, waste volumes**	Relationships with our suppliers are actively managed by our procurement and property teams.	Alongside routine engagement with our suppliers, other areas of focus during the period have included: · Continuing impact of Covid- 19 · Mitigating against the impact of inflationary pressures in the UK economy · Ensuring consistent supply through new trade deal negotiations after Brexit · Working with our suppliers to establish their Scope 3 emissions	We have successfully worked with our supportive supplier base during the Covid-19 period. This allowed for successful reopening of pubs, management of working capital and ensured consistent supply. In addition we have worked with our suppliers to establish their Scope 3 emissions.

DIRECTORS' REPORT (Continued)

Team members

Our team members include both our pub and head office employees. **Key metrics in respect of our employees are:** **· team turnover** **· employee satisfaction based on external metrics and our own survey data**	Our team members are vital to the success of our business and our engagement with our customers and community. We engage with our team members through a variety of channels including: · a regular meeting calendar across business regions and pubs · weekly news updates, via our employee app. Team members are encouraged to share their feedback through all of these channels together with the employee survey.	We routinely engage with our team members in respect of business strategy and performance. Other matters on which we have specifically engaged during the year include: · Impact of Covid- 19, including restrictions on trading of our pubs and continued operation of the furlough scheme. · Impact of Covid- 19 on labour availability in the sector as a whole	Ongoing communications with our teams during the Covid-19 period have included frequent updates on trading and restrictions, engagement in re- opening process and safety protocols and the continued operation of the furlough scheme. Driving recruitment through online platforms, talent acquisition teams and apprenticeship programmes in response to the labour availability issues faced by the sector.

Customers

Key metrics in respect of our customer base are **· net promoter score** **· customer feedback scores**	Engaging with customers directly in our pub is key to our business. Outside of direct engagement, we use a variety of channels to engage with our customers including: · our customer feedback portal · social media · focus groups · brand and product launch events · local events to our pubs	The key topics of engagement with our customers included: · new product launches and menu updates · customer feedback · our charitable partnerships and local community engagement	We take feedback from our customers seriously and have used this across the period when making business decisions to further improve our offering.

Going concern

Note 2 to the Financial Statements provides a full review of the going concern assessment undertaken. The Company is reliant on the continued support of their ultimate parent undertaking, The Restaurant Group plc (TRG plc), which has confirmed in writing that it will provide financial support to the Company to enable it to meet its liabilities as they fall due for 12 months from the date of signing these financial statements. The Directors of the Company have assessed going concern for a period of 12 months from the date of the financial statements to 12 July 2023.

The Directors of the Company have assessed TRG plc's ability to provide the necessary financial support to the Company.

Based on its diligence of TRG plc's ability to provide support to the Company, the Board of the Company has concluded that it has access to adequate resources to continue in operational existence for the period to 12 July 2023. On this basis, the Directors continue to adopt the going concern basis in preparing the Company financial statements.

DIRECTORS' REPORT (Continued)

Statement of directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors and signed on its behalf by:

Kirk Davis
Director
12 July 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUBECKERS LIMITED

Opinion

We have audited the financial statements of Blubeckers Limited for the year ended 2 January 2022 which comprise the Income statement, the Balance sheet, the Statement of changes in equity and the related notes 1 to 22, 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 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice)".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 2 January 2022 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 12 July 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUBECKERS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 101, the Companies Act 2006 and the relevant tax compliance regulations in the United Kingdom.
- We understood how Blubeckers Limited is complying with those frameworks by making enquires of management, those responsible for the legal and compliance procedures including The Restaurant Group plc (TRG) company secretary. We corroborated our enquiries through the attendance at meetings held by the TRG's audit committee, which received updates on such matters from divisional and functional management. As well as enquiry and attendance at meetings, our procedures involved a review of the reporting to the committees and a review of board meetings and other committee minutes to identify any non-compliance with laws and regulations.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was susceptibility to fraud. There are no performance targets at the company level.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations that might materially impact the financial statements. Our procedures involved journal entry testing, with a focus on manual journals and journal indicating large or unusual transactions, taking into account our understanding of the company and enquiries of management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Bob Forsyth (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

12 July 2022

INCOME STATEMENT
53 weeks ended 2 January 2022

		53 weeks ended 2 January 2022		
		Trading business	Exceptional items (Note 9)	Total
	Note	£'000	£'000	£'000
Revenue	5	22,904	-	22,904
Cost of sales		(19,435)	(1,026)	(20,461)
Gross profit/(loss)		3,469	(1,026)	2,443
Administrative expenses		(1,091)	-	(1,091)
Operating profit/(loss)	6	2,378	(1,026)	1,352
Interest payable		(766)	-	(766)
Interest receivable		168	-	168
Profit/(loss) on ordinary activities before taxation		1,780	(1,026)	754
Taxation on profit on ordinary activities	10	(1,342)	282	(1,060)
Profit/(loss) on ordinary activities after taxation		438	(744)	(306)

EBITDA	4,057	(300)	3,757
Depreciation, amortisation and impairment	(1,679)	(726)	(2,405)
Operating profit/(loss) for the year	2,378	(1,026)	1,352

		52 Weeks ended 27 December 2020		
		Trading business	Exceptional items (Note 9)	Total
	Note	£'000	£'000	£'000
Revenue	5	15,062	-	15,062
Cost of sales*		(13,078)	(1,445)	(14,523)
Gross profit/(loss)		1,984	(1,445)	539
Administrative expenses		(869)	-	(869)
Operating profit/(loss)	6	1,115	(1,445)	(330)
Interest payable*		(415)	-	(415)
Interest receivable		215	-	215
Profit/(loss) on ordinary activities before taxation		915	(1,445)	(530)
Taxation on profit/(loss) on ordinary activities	10	(1,692)	-	(1,692)
Loss on ordinary activities after taxation		(777)	(1,445)	(2,222)

EBITDA	2,324	(123)	2,201
Depreciation, amortisation and impairment	(1,209)	(1,322)	(2,531)
Operating profit/(loss) for the year	1,115	(1,445)	(330)

*Restated – refer to Note 3

The notes on pages 13 to 24 form part of these financial statements.

BALANCE SHEET
At 2 January 2022

	Note	At 2 January 2022 £'000	At 27 December 2020 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	20,913	21,191
Right of use assets*	12	10,382	8,536
		31,295	29,727
CURRENT ASSETS			
Stock	14	377	283
Other receivables	15	3,229	3,892
Cash at bank and in hand		116	11
		3,722	4,186
CURRENT LIABILITIES			
Trade and other payables	16	(12,295)	(5,544)
Lease liabilities*	18	(1,461)	(1,120)
		(13,756)	(6,664)
NET CURRENT ASSETS		**(10,034)**	(2,478)
TOTAL ASSETS LESS CURRENT LIABILITIES		**21,261**	27,249
NON-CURRENT LIABILITIES			
Deferred tax liabilities	17	(1,546)	(1,387)
Lease liabilities*	18	(9,899)	(8,110)
Provisions	19	(370)	-
NET ASSETS		**9,446**	17,752
EQUITY			
Called up share capital	20	5	5
Share premium account		456	456
Revaluation reserve		4,299	4,299
Retained earnings*		4,686	12,992
TOTAL EQUITY		**9,446**	17,752

*Restated – refer to Note 3

The Board of Directors approved the financial statements of Blubeckers Limited (Company Registration 01994330) on 12 July 2022 and were signed on its behalf by:

Kirk Davis
Director

The notes on pages 13 to 24 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

53 weeks ended 2 January 2022

	Share capital (Note 20)	Share premium account	Revaluation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
At 29 December 2019	**5**	**456**	**4,299**	**15,214**	**19,974**
Total comprehensive income for the year*	-	-	-	(2,222)	**(2,222)**
At 27 December 2020*	**5**	**456**	**4,299**	**12,992**	**17,752**
Total comprehensive income for the year	-	-	-	(306)	**(306)**
Dividend paid	-	-	-	(8,000)	**(8,000)**
At 2 January 2022	**5**	**456**	**4,299**	**4,686**	**9,446**

*Restated – refer to Note 3

The notes on pages 13 to 24 form part of these financial statements.

NOTES TO THE ACCOUNTS

53 weeks ended 2 January 2022

1. GENERAL INFORMATION

Blubeckers Limited (Company Registration number 01994330) operates pubs throughout the UK. It is a private company, limited by shares and is incorporated and domiciled in England and Wales. Its registered office is 5-7 Marshalsea Road, London, SE1 1EP.

The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 3.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The accounting year runs to a Sunday within seven days of 31 December each year which will be a 52 or 53 week period. The year ended 2 January 2022 was a 53 week period, with the comparative year to 27 December 2020 being a 52 week period.

The financial statements are presented in sterling, rounded to the nearest thousand. They have been prepared on the historical cost basis.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

As permitted under FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to impairments, financial instruments, fair values, remuneration of key management personnel, presentation of a cash flow statement and certain related party transactions. This information is contained in the consolidated financial statements of The Restaurant Group plc.

2.2 Going Concern Basis

The Directors have assessed the ability of the Company to continue as a going concern.

The Company's ultimate parent undertaking, TRG plc, has confirmed it will provide financial support to the Company to enable it to meet its liabilities as they fall due for 12 months from the date of signing these financial statements. The Directors of the Company have assessed going concern for the period to 12 July 2023. The Directors of the Company have assessed TRG plc's ability to provide the necessary financial support by reviewing the latest cash flow forecasts and available financing of the TRG plc consolidated group ('TRG Group'). The Directors believe that the Company has adequate resources to support its operational existence into the foreseeable future.

Refer to The Restaurant Group plc group accounts at 2 January 2022, and subsequent regulatory announcements, for more detail on going concern at a group level.

2.3 New standards and interpretations not yet adopted

At the date of authorisation off these financial statements, the Company has not applied the following new and revised IFRSs that have been issued but are not yet effective and had not yet been adopted by the UK Endorsement Board:

- IBOR Phase 2 (effective date 1 January 2021)
- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16 (effective date 1 January 2022)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective date 1 January 2023) of Effective Date Amendment (effective date 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (effective date 1 January 2023)
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) and Deferral of Effective Date Amendment (effective date 1 January 2023)

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future years.

2.4 Changes in accounting policies

During the year, the Company has adopted the following new standards and interpretations. These have not had a material impact on the financial statements.

- Amendments to IFRS 3 (effective date 1 January 2020)
- Amendments to IAS 1 and IAS 8 (effective date 1 January 2020)
- Revised Conceptual Framework for Financial Reporting (effective date 1 January 2020)

NOTES TO THE ACCOUNTS
53 weeks ended 2 January 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Leases

a) Right of use assets

Right of use assets are initially measured at the value of the corresponding lease liability and subsequently adjusted for depreciation and for any remeasurement of the lease liability. Right of use assets are assessed for impairment where required by IAS 36.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

b) Lease liabilities

Lease liabilities under IFRS 16 are initially recorded at the present value of future lease payments (discounted using the Group's incremental borrowing rate, which we estimate with reference to our debt facilities and observed bond yields).

Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable and variable payments.

Lease liabilities may be recalculated in some situations as stipulated by IFRS 16, including where the terms of a lease are modified, which can also result in a separate lease being recognised. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. Such changes to the amount of the lease liability will be also reflected in the corresponding right of use asset, except where a reduction in the asset would result in a negative outcome, in which case the asset's value is reduced to nil and the residual credit recorded in profit or loss.

In determining the lease term and assessing the length of the non-cancellable period of a lease, an entity shall apply the definition of a contract and determine the period for which the contract is enforceable. A lease is no longer enforceable when the lessee and lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

c) Short-term leases and leases of low-value assets

The Company has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.6 Property, plant and equipment and intangible assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.

a) Pre-opening costs

Pre-opening costs are deferred until the site opens. On opening of the site, an analysis is performed on all costs held on the balance sheet for the site and split into capital and non-capital expenditure. All non-capital expenditure is recognised in the income statement from the date of opening. Capital expenditure is held in property, plant and equipment and depreciated over the useful life.

For sites which have incurred depreciation on an associated right of use asset, where the site is under construction, the depreciation charge is capitalised up the date of opening.

b) Subsequent costs

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that enhanced future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

c) Depreciation

Depreciation is charged to the Income Statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Freehold land	Indefinite
Freehold buildings	50 years
Long and short leasehold property	Term of lease or 50 years, which ever is lower
Fixtures and equipment	3 - 10 years
Computer equipment	3 - 5 years

The estimated useful lives and residual values applied are reviewed at each reporting date with any changes in estimates being applied prospectively.

NOTES TO THE ACCOUNTS

53 weeks ended 2 January 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment

The Company formally determines whether the carrying amount of property, plant and equipment and Right of use assets (RoUA) are impaired by considering indicators of impairment annually. An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. This requires the Company to determine the lowest level of assets which generate largely independent cash flows and to determine their recoverable amount, based on estimating the value-in-use or the fair value less cost of disposal of these assets or CGUs; and compare these to their carrying value. Impairment losses for property, plant and equipment are recognised in the income statement.

Impairment losses recognised in prior periods for property, plant and equipment and RoUA shall be reversed where there is an indication that the impairment no longer exists. Where an impairment reversal is recognised, the carrying amount of the asset will be increased to its recoverable amount with the increase being recognised in the income statement. This increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

For assets which have an indefinite useful life, the recoverable amount is estimated annually. Impairment losses are recognised in the income statement and are not subsequently reversed.

2.8 Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined in accordance with the weighted average inventory costing model, including applicable commercial discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

2.9 Other Receivables

Other receivables are amounts due from suppliers or sub tenants in the ordinary course of business. Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment less expected credit loss.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise bank balances, cash balances on hand and in restaurants, and cash-in-transit for credit card transactions made within 72 working hours, providing there is no risk of cash return.

2.11 Revenue

Revenue represents sales from pubs, including food and beverages sales (excluding value added tax and voluntary gratuities left by customers for the benefit of employees), and is recognised at the point of completion of a transaction with a customer.

2.12 Commercial Discount

Commercial discounts represent a reduction in cost of goods and services in accordance with negotiated supplier contracts, the majority of which are based on purchase volumes. Commercial discounts are recognised in the period in which they are earned and to the extent that any variable targets have been achieved in that financial period.

2.13 Exceptional items

In order to illustrate the trading performance of the Company, presentation has been made of performance measures excluding those exceptional items which it is considered would distort the comparability of the Company's results. Exceptional items are defined as those items that, by virtue of their unusual nature or size, warrant separate additional disclosure in the financial statements in order to fully understand the performance of the Company.

The Company's income statement provides a reconciliation of the adjusted profitability measures, excluding exceptional items to the equivalent unadjusted IFRS measures. Exceptional items are then further detailed in Note 9.

2.14 Pensions

The Company makes contributions for eligible workers into defined contribution pension plans and these contributions are charged to the income statement as they are accrued. The Company does not operate any defined benefit plans.

2.15 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

During the period, the Company benefited from receipts from the UK government under the Coronavirus Job Retention Scheme (CJRS). In accordance with IAS 20, amounts received were presented as a deduction to the employment costs upon which CJRS claims had been based. The Company also benefitted from Business Rates Relief.

NOTES TO THE ACCOUNTS
53 weeks ended 2 January 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.16 Dividends

In accordance with IAS 10 "Events after the Balance Sheet Date", dividends declared after the balance sheet date are not recognised as a liability at that balance sheet date, and are recognised in the financial statements when they have received approval by shareholders.

2.17 Current and Deferred Taxation

Corporation tax payable is provided on the taxable profit at the current rate. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date. Temporary differences are differences between the carrying amount of the Company's assets and liabilities and their tax base.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on tax rates and laws that are enacted, or substantively enacted, by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2.18 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

2.19 Onerous property costs

The Company has a number of present obligations related to its property portfolio that are explicitly excluded from the measurement of lease liabilities in accordance with IFRS 16. As such, the Company has onerous property costs for unavoidable store closure costs including service fees, legal costs and dilapidation. The amount provided is based on the lowest net cost of exiting the contract.

Estimates have been made with respect to the time to exit, sublet or cover the fixed cost base, along with other associated exit costs as well as an evaluation of the cost of void period prior to sublet and the value of lease incentive which may be required to be paid as part of the sublet process. The amounts of future expenditures for site closure costs are reviewed throughout the year and are based on readily available information at the reporting date as well as management's historical experience of similar transactions.

2.20 Critical accounting estimates and assumptions

In the process of applying the Company's accounting policies as described above, management has made a number of judgements and estimations of which the following is the most significant:

a) Impairment of non-current assets

As disclosed in Note 13, the impairment reviews of non-current assets require several estimates to determine the value-in-use of each CGU. The key estimates are in relation to the discount rate, the calculation of the future cash flows and the longer term growth rate. These have been disclosed with sensitivities in Note 13.

Given the uncertainties inherent in the pandemic relating to legal and social restrictions, the availability of government support and customer demand in the current trading environment, the range of possible cashflow outcomes is wider than normal as disclosed in the sensitivity analysis. The future cash flows have been forecast taking into account using the 'base case' and 'stress case' scenarios as outlined in the Going Concern section of this note and in the Financial Review which allow for a range of possible trading scenarios when making estimates about the recovery following Covid-19. In addition to these forecasts, to recognise the increased uncertainty of cash flows at a CGU level, Management has applied a judgemental and appropriate risk adjustment to the forecast cash flows as appropriate to reflect the level of risk in differing groups of CGUs, particularly those that are subject to significant uncertainty as to timing or conditionality of opening, and the profile of lease cost revisions, many of which have been stayed for a two year period under the CVA

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the CGU's recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimated future cash flows used to determine the asset's recoverable amount since the last impairment loss was recognised. In addition, judgemental risk factors are applied to the cashflows so as to take account of the higher risk volatility associated with improved trading expectations. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the consolidated income statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's carrying amount, less any residual value, on a straight-line basis over its remaining useful life.

NOTES TO THE ACCOUNTS
53 weeks ended 2 January 2022

2. ACCOUNTING POLICIES (CONTINUED)

b) Forecast business cash flows

For purposes of the going concern assessment and as an input into the impairment assessment, the Company make estimates of likely future cash flows which are based on assumptions given the uncertainties involved. The assumptions include the extent of government restrictions and support, the recovery of the revenues through and beyond the pandemic, cost of labour and supplies and working capital movements. These assumptions are made by management based on recent performance, external forecasts and management's knowledge and expertise of the cashflow drivers.

c) Lease term

IFRS 16 defines lease term as the non-cancellable period of a lease together with options to renew or break a lease, if the lessee is reasonably certain to exercise that option. The assessment of lease term is a significant judgement. Where leases include an option to extend or reduce the lease term, the group makes a lease-by-lease assessment as to whether it is reasonably certain that the option will be exercised. This assessment considers the length of the time before any renewal or break option is exercisable, plus current and forecast site trading.

d) Lease discount rate

The Company is required to make an assessment to ensure the discount rate assumptions appropriately reflected current market assessments of the incremental borrowing rate, to value the lease liabilities and right of use assets disclosed.

e) Provisions for property costs

As disclosed in Note 19, the Group has made a provision for the contracted property-related costs of vacant sites for the period that a sublet or assignment of the lease is not expected to be possible. The Group measures these provisions using the expected value method. The Group has made an estimate of the length of time that will be required to meet those obligations as it is expected that the landlords will take possession back of these sites over time or that a sublet agreement could be reached.

NOTES TO THE ACCOUNTS

53 weeks ended 2 January 2022

3 RESTATEMENT OF COMPARATIVES

During the year management identified a lease which was incorrectly recognised as an addition in The Restaurant Group (UK) Limited, a part of the wider group. The lease and associated depreciation and interest should have been recognised within Blubeckers Limited. The resulting restatements are disclosed below.

	As originally disclosed	Adjustment	As restated
	£'000	£'000	£'000
Balance sheet as at 27 December 2020			
Right-of-use assets	6,042	2,494	8,536
Current lease liabilities	(787)	(333)	(1,120)
Non-current lease liabilities	(5,908)	(2,202)	(8,110)
Retained earnings	13,033	(41)	12,992
Income statement for the 52 weeks ended 27 December 2020			
Cost of sales	14,505	18	14,523
Interest expense	392	23	415

4 RECONCILIATION TO UNDERLYING PROFIT

The results used by the Directors to monitor and review the performance of the Company are to be prepared on an 'underlying' basis, which is based on the accounting standard IAS 17 as adjusted to show the benefit of Covid-19 related rent concessions in the period and a number of the key metrics used in this report are prepared on that basis. A reconciliation is provided below of the key differences between results under IFRS 16 and the basis used for management reporting.

Impact on financial performance in the period

	2021 Trading Underlying	Adjustments for IFRS 16	2021 Trading IFRS 16	Exceptional Items	2021 Total IFRS 16	2020 Total IFRS 16
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	22,904	-	22,904	-	22,904	15,062
Cost of sales	(19,728)	293	(19,435)	(1,026)	(20,461)	(14,523)
Gross profit/(loss)	3,176	293	3,469	(1,026)	2,443	539
Administration expenses	(1,091)	-	(1,091)	-	(1,091)	(869)
Operating profit/(loss)	2,085	293	2,378	(1,026)	1,352	(330)
Interest payable	(248)	(518)	(766)	-	(766)	(415)
Interest receivable	168	-	168	-	168	215
Profit/(loss) on ordinary activities before taxation	2,005	(225)	1,780	(1,026)	754	(530)
EBITDA	2,785	1,272	4,057	(300)	3,757	2,201
Depreciation, amortisation and impairment	(700)	(979)	(1,679)	(726)	(2,405)	(2,531)
Operating profit/(loss)	2,085	293	2,378	(1,026)	1,352	(330)

An explanation of the amounts in the "Exceptional items" column is provided in note 9.

NOTES TO THE ACCOUNTS

53 weeks ended 2 January 2022

4 RECONCILIATION TO UNDERLYING PROFIT (CONTINUED)

The "Adjustments for IFRS 16" summarised above can be seen in the below reconciliation of trading profit before tax (excluding exceptional items) from the 'Underlying' basis to the IFRS 16 basis of accounting:

	2021	2020
	£000	£000
Underlying trading profit before tax	2,005	766
Removal of rent expenses	1,272	983
Net change in depreciation	(979)	(627)
Net change in net interest payable	(518)	(224)
Removal of onerous lease provision	-	17
Trading profit before tax under IFRS 16	**1,780**	**915**

5. REVENUE

All revenue has been generated from principal trade activities within the United Kingdom.

6. OPERATING PROFIT/(LOSS)

This is stated after charging:

	2021	2020
	£'000	£'000
Depreciation* (Note 11 and 12)	(1,679)	(1,209)
Exceptional items (Note 9)	(1,063)	(1,445)

**Restated – refer to Note 3*

Fees for the audit of the Company's annual accounts are borne by a fellow subsidiary undertaking of The Restaurant Group plc, namely The Restaurant Group (UK) Limited. The fees for the 53 weeks ended 2 January 2022 were £7,000 (2020: £8,000).

7. STAFF COSTS AND NUMBERS

The average monthly number of staff employed by the Company during the period amounted:

Employees

	2021	2020
Pub staff	660	639

	2021	2020
	£'000	£'000
Wages and salaries	8,282	5,284
Social security costs	688	449
Pension costs	138	103
	9,108	5,836

8. DIRECTORS REMUNERATION

None of the Directors received any remuneration from the Company during the year. All of the Directors during the year were also directors of The Restaurant Group (UK) Limited and were remunerated in that capacity.

NOTES TO THE ACCOUNTS
53 weeks ended 2 January 2022

9. EXCEPTIONAL ITEMS

	2021 £'000	2020 £'000
Impairment charges	726	1,322
Estate closure	-	123
Estate restructure	300	-
Profit/(loss) before tax	**1,026**	**1,445**
Tax effect of exceptional Items	(282)	-
Total exceptional items	**744**	**1,445**

Impairment charges
An impairment charge has been recorded against certain assets to reflect forecast results at several of our trading sites, which is deemed as material and not relating to underlying trade.

This charge comprises the below adjustments:
- An impairment of right of use assets of £7k
- An impairment of property, plant and equipment of £719k

Further details on the impairment of non-current assets are given in Note 13.

Estate restructure
As a result of changes to the Blubeckers estate over the year, a charge was recognised amounting to £300k in respect of closed site provision remeasurements and utilities sell back.

10. TAXATION

10.1: The taxation charge comprises:

	2021 £'000	2020 £'000
Current taxation		
Current tax on profits for the year	265	(45)
Adjustment in respect of prior years	636	1,410
Total Current tax	901	1,365
Deferred taxation		
Current year	(76)	212
Adjustments in respect of previous years	(82)	115
Effect of changes in tax rates	317	-
Total Deferred tax	159	327
Total tax charge	1,060	1,692

The 2021 Budget in March 2021 announced an increase in the UK corporation tax rate to 25% with effect from 1 April 2023. This was substantively enacted on 24 May 2021.

NOTES TO THE ACCOUNTS
53 weeks ended 2 January 2022

10. TAXATION (CONTINUED)
10.2: Factors affecting the tax charge for the year

	2021 £'000	2020 £'000
Profit on ordinary activities before taxation*	**754**	(530)
Profit on ordinary activities before taxation multiplied by the standard UK corporation tax rate of 19% (2020: 19%)*	**143**	(101)
Effects of:		
Adjustments in respect of prior years	**417**	1,525
Expenses not deductible*	**183**	160
Tax rate changes	**317**	108
Total tax charge	**1,060**	1,692

**Restated*

11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £'000	Fixtures and equipment £'000	Total £'000
Cost:			
At 27 December 2020	**33,270**	**9,068**	**42,338**
Additions	850	278	**1,128**
Disposals	(914)	(155)	**(1,069)**
At 2 January 2022	**33,206**	**9,191**	**42,397**
Accumulated depreciation and impairment:			
At 27 December 2020	**14,013**	**7,134**	**21,147**
Provided during the year	440	247	**687**
Impairment	338	381	**719**
Disposals	(914)	(155)	**(1,069)**
At 2 January 2022	**13,877**	**7,607**	**21,484**
Net book values:			
At 2 January 2022	**19,329**	**1,584**	**20,913**
At 27 December 2020	19,257	1,934	21,191

	2021 £'000	2020 £'000
Net book value of land and buildings:		
Freehold	16,458	16,610
Short leasehold	2,871	2,647
	19,329	19,257

NOTES TO THE ACCOUNTS
53 weeks ended 2 January 2022

12. RIGHT OF USE ASSETS

Set out below are the right of use assets recognised in the Company's balance sheet and movements therein during the year. All assets relate to access to and use of property and there is, therefore, no analysis of assets into different classes of use.

	2021	2020
	£'000	£'000
Right of use assets at start of the year (restated)	8,536	7,450
Additions*	2,724	2,513
Depreciation*	(992)	(667)
Remeasurements	121	-
Impairment (Note 13)	(7)	(760)
Right of use assets at reporting date	10,382	8,536

*Restated – refer to Note 3

When indicators of impairment exist, right of use assets may be assessed for impairment. As described in note 13, all non-current assets were assessed at the end of 2021.

13. IMPAIRMENT REVIEWS

The significant trading disruption in the period is judged to be an indicator of potential impairment of assets and, accordingly, the Directors have chosen to assess all non-financial assets for impairment in accordance with IAS 36.

Approach and Assumptions

Our approach to impairment reviews is unchanged from that applied in previous periods and relies primarily upon 'value in use' tests, although for freehold sites an independent estimate of market value by site has also been obtained and, where this is higher than the value in use, we rely on freehold values in our impairment reviews

Discount rates used in the value in use calculations are estimated with reference to our Group weighted average cost of capital. For 2021, we have applied the discount rate of 10.6% to all assets (2020: 8.7%). The higher discount rate used in 2021, reflects that a greater proportion of the capital structure is equity following the capital raise which requires a higher rate of return.

For the current period, value in use estimates have been prepared on the basis of the forecast described above in Note 2 under the heading "Going concern basis". The most significant assumptions and estimates relate to revenue recovery forecast on site-by-site cash flows. It is assumed that our business maintains a steady recovery in revenue and then grows at 2% per year. In addition to the forecast cash flows, a risk adjustment has been applied to these cash flows to reflect the uncertainty of future cash flows in the current environment.

Results of impairment review

Impairment has been recorded in a number of specific CGUs, reflecting weaker trading in certain areas following the Covid-19 pandemic. A total charge £726k (2020: £1,322k) was recognised of which £719k was recorded against Trading Property, Plant & Equipment ("PP&E") and a further £7k against right of use assets.

Sensitivity to further impairment charges

The key assumptions used in the recoverable amount estimates are the forecast cash flows, risk adjustments applied to cash flows, discount rates and terminal growth rates. The Company has conducted a sensitivity analysis taking into consideration the impact on key impairment test assumptions arising from a range of possible trading and economic scenarios as outlined in the stress case scenario at Note 2 as well as the risk adjustment rates applied to cash flows, discount rates and terminal growth rates used.

The sensitivity analysis of forecast cash flows with a 5% reduction in sales would give rise to an additional impairment of approximately £2,277k across PPE and right of use assets, while a 5% increase in sales would result in an impairment reversal of £457k. An increase in inflation rate of 2% would give rise to additional impairment of £1,587k, while a reduction of inflation of 2% would result in an impairment reversal of £161k.

An increase in the terminal growth rate of 1% would give rise to a reduction of impairment of £30k, while a 1% reduction in the terminal growth rate would result in an increase of impairment of £30k.

An increase in the discount rate of 1% would give rise to an increase of impairment of £89k, while a 1% reduction in the discount rate would result in an reduction of impairment of £95k.

NOTES TO THE ACCOUNTS

53 weeks ended 2 January 2022

14. STOCK

Stock comprises raw materials and consumables and has been valued at the lower of cost and estimated net realisable value. The replacement cost at 2 January 2022 is not considered by the Directors to be materially different from the balance sheet value. The Company recognised £5,661k of purchases as an expense in 2021 (2020: £3,717k).

15. OTHER RECEIVABLES

	2021	2020
	£'000	£'000
Prepayments and other receivables	307	168
Amounts receivable from other group undertakings	2,922	3,724
	3,229	3,892

16. TRADE AND OTHER PAYABLES

	2021	2020
	£'000	£'000
Amounts owed to group undertakings	9,472	3,444
Other creditors	102	83
Accruals	1,046	607
Other taxation and social security	1,675	1,410
	12,295	5,544

17. DEFERRED TAXATION

	2021	2020
	£'000	£'000
Balance at beginning of the year	1,387	1,105
Deferred tax charge to income statement for the period	241	167
Adjustment in respect of prior years	(82)	115
Balance at the end of the year	1,546	1,387

	2021	2020
Deferred tax consists of:	£'000	£'000
Accelerated capital allowances	841	629
Current Year Losses	-	(44)
Temporary differences	(174)	-
Revaluation	879	802
	1,546	1,387

18. LEASE LIABILITIES

The Company acts solely as a lessee of property. Set out below are the movements in the carrying amount of lease liabilities during the period. All leases relate to access to and use of property.

	2021	2020
	£'000	£'000
Lease liability at start of the year	**9,230**	**7,288**
Additions*	2,723	2,513
Interest payable*	518	246
Cash payments made	(1,390)	(817)
Remeasurements	279	-
Lease liability at reporting date	**11,360**	**9,230**
Analysed as:		
Amount due for settlement within one year*	1,461	1,120
Amount due for settlement after one year*	9,899	8,110
	11,360	9,230

*Restated – refer to Note 3

As at 2 January 2022, the Company was not committed to any leases with future cash outflows which had not yet commenced.

NOTES TO THE ACCOUNTS

53 weeks ended 2 January 2022

19. PROVISIONS

	At 2 January 2022	At 27 December 2020
	£'000	£'000
Property cost provisions		
Balance at start of the reporting period	-	-
Remeasurement	370	-
Balance as at the reporting date	**370**	-

	At 2 January 2022	At 27 December 2020
	£'000	£'000
Analysed as:	91	-
Amount due for settlement within one year	279	-
Amount due for settlement after one year	370	-

Property cost provisions

A provision is made for property-related costs for the period that a sublet or assignment of the lease is not expected to be possible. The average period over which the provision is expected to be utilised is 2.3 years which is a key assumption in the valuation of the provision. An increase of one year in the expected period over which a sublet or assignment is not expected to be possible would result in an increase in the provision of £88k, whilst a decrease would result in a reduction on the provision of £88k.

Onerous contract and other property provisions are discounted using a discount rate of 0.8% (2020: 1.0%) based on an approximation for the time value of money.

20. SHARE CAPITAL

	2021	2020
Authorised, issued and fully paid:	£'000	£'000
5,219 Ordinary shares of £1 each	5	5

21. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption as a wholly owned member of The Restaurant Group plc from disclosing related party transactions and balances with other wholly owned members of The Restaurant Group plc group.

22. ULTIMATE PARENT UNDERTAKINGS

The Restaurant Group plc, which is registered in Scotland, 1 George Square, Glasgow, G2 1AL (Registration No. SC30343) is the ultimate parent undertaking, the controlling party and the parent undertaking of the smallest and largest group for which group financial statements are prepared. Copies of financial statements of The Restaurant Group plc can be obtained from the Company Secretary at 5-7 Marshalsea Road, Borough, London, SE1 1EP.

24. POST BALANCE SHEET EVENTS

The Group has evaluated events from 2 January 2022 through to the date these financial statements were issued.
There are no subsequent events to note which impact these financial statements. The impact of geopolitical events in Ukraine and their Group impact are discussed in the The Restaurant Group plc financial statements.

Communication schedule for uncorrected misstatements

Entity: Blubeckers Limited | Period Ended: 2-Jan-2022 | Currency: £

No.	W/P ref.	Account (Note 1) (misstatements are recorded as journal entries with a description)	Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)	Effect on the current period OCI Debit/(Credit)	Income statement effect of the current period Debit/(Credit)	Income statement effect of the current period Non taxable	Income statement effect of the prior period: Prior period Debit/(Credit)	Income statement effect of the prior period: Non taxable
Uncorrected misstatements			Analysis of misstatements Debit/(Credit)									
Factual misstatements:												
		Recent change in the guidance for rates provision, resulting in reversal of provision booked earlier as part of Group, now reversed in stats accounts										
		Dr. Provision										
		Cr. Exceptional items									(162,412)	
Total of uncorrected misstatements before income tax			0	0	0	0	0	0	0		(162,412)	
Total of uncorrected misstatements			0	0	0	0	0	0	0		(162,412)	
Financial statement amounts			800,000	31,295,000	(10,834,000)	(11,815,000)	(9,446,000)		306,000		2,222,000	
Effect of uncorrected misstatements on F/S amounts			0.0%	0.0%	0.0%	0.0%	0.0%		0.0%		-7.3%	

	Rate	Current period (After tax)	Memo: Before tax	Prior period
Memo: Total of non-taxable items (marked 'X' above)		0		0
Uncorrected misstatements before income tax	0.0%	0		(162,412)
Less: Tax effect of misstatements at current year marginal rate	19%	0		30,858
Uncorrected misstatements in income tax		0		0
Cumulative effect of uncorrected misstatements after tax but before turnaround	0.0%	0		(131,554)
Turnaround effect of prior period uncorrected misstatements		After tax	Memo: Before tax	
All factual and projected misstatements:		131,554	162,412	
Judgmental misstatements (Note 3):		0	0	
Cumulative effect of uncorrected misstatements, after turnaround effect	43.0%	131,554		
Current year income before tax		(717,000)		
Current year income after tax		306,000		