Registered number: 05432837

OAKMAN INNS AND RESTAURANTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 2 JULY 2023

OAKMAN INNS AND RESTAURANTS LIMITED

COMPANY INFORMATION

Directors	P Borg-Neal D King J Leslie D Sherratt
Registered number	05432837
Registered office	Saxon House, 211 High Street Berkhamsted Hertfordshire HP4 1AD
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

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STRATEGIC REPORT
FOR THE PERIOD ENDED 2 JULY 2023

Introduction

The Directors present their report and the financial statements for the 12 months ended 2 July 2023.

Business review

The impact of post-Covid 19 cast a long shadow over the economic trading environment. Rampant inflationary pressures driving household utility bills and food prices caused the Bank of England to react with aggressive interest rate hikes. Although energy prices in themselves were more connected to the ongoing Russian invasion of Ukraine, the impact on consumer spending was noticeable.

The Government also introduced inflation-busting unprecedented increases in National Minimum Wage rates. Although in itself this isn't a driver to our cost base, the impact is felt through maintaining differential rates, which the business had to absorb as customer budgets were squeezed.

The uncertain backdrop could be measured by having no less than four Chancellors of the Exchequer in the space of the 52 weeks under review. At a time when the hospitality industry was suffering generally from a shortage of workers, it was a very challenging year.

Given the challenges and pressures outside of our control, the business did well to stand still although we grew the estate to 43 properties, which includes a mixture of large freehold (10), leasehold (23) and managed sites (10).

The business focused on creating an environment to retain our best talent, paying as much as we could afford, rather than as little as we could get away with. Of particular concern was the employment landscape for kitchen workers and chefs generally. The training and development of our kitchen teams was a key part of this strategy and has provided us with the employee resources to continue our growth.

During the year, the business opened two more sites. The Beech House in Watford was a development of a previously unused building on the exterior of the shopping centre, while The Navigation Inn in Lapworth is an existing pub that has been brought into the estate. We plan to invest into this site to bring it up to the Oakman standard.

The Company produced Turnover of £35.7m with adjusted EBITDA of £1.8m loss. The Balance Sheet shows Net liabilities of £16.2m.

Financial and non financial indicators

• During the year, sales performance was up 2.4% from the prior year, but behind the market.

• Average net sales per week were at £686k during the period compared to £670k in the prior year.

• Wet Margins marginally improved by 0.2% compared to the previous year.

• Dry Margins dropped by some 1.3% compared to the previous year.

• Staff turnover for the period was 69%.

•During the year we opened the following sites:

• The Beech House, Watford

• The Navigation Inn, Lapworth

Future Development

Looking forward, the Company is well placed to compete for market share and aims to deliver further success by:

1. Focusing the business on the growth in the premium eating-out market.

2. Evolving our concept to maintain high levels of customer affinity and relevance.

3. Generating high returns on investment through scale advantages.

4. Extending the skill base of our people to ensure operational excellence and consumer focus.

5. Reducing the levels and cost of our funding structure.

6. Continuing to build a sound financial base with a cautious approach to debt and a flexible approach to property ownership.

We believe we have the management skills, operational concepts and ambition to grow the business. The Board are committed to growing shareholder value whilst carefully managing the risks in so doing. Our strategy is to grow our business by finding suitable sized units which are in locations with strong demographics, in affluent market towns. We are continually looking for sites which fit this criteria.

The Directors have restructured the intercompany loans within Oakman Group at the start of July 2023 and have “hived up” the trade and assets of Oakman Ventures Limited and Hunky Dory Limited, net of liabilities by transferring them to Oakman Inns and Restaurants Limited. Since this “hive up” Oakman Inns and Restaurants Limited has acquired the properties of these entities and operates a number of additional sites post the restructure. Oakman Ventures Limited and Hunky Dory Limited no longer trade post the restructure.

Employees

Oakman Inns and Restaurants Limited is committed to eliminating discrimination and encouraging diversity amongst our workforce. Our aim is that each employee feels respected and is valued based upon their skills, performance and commitment.

Oakman Inns and Restaurants Limited is an equal opportunities employer. It is committed to providing equal opportunities including the recruitment, training and promotion of workers, and to eliminating discrimination in the workplace whether on grounds of age, gender, marital status or sexual orientation, race, national or ethnic origin, religious orientation or beliefs or disability. All job applicants and workers are treated equally and the Company is willing to make reasonable adjustments where appropriate for disabled applicants and workers.

Each employee has an obligation to promote an equal opportunity environment within the Company.

Oakman employees also have a duty to observe and apply this policy at all times. Violation of this policy is a serious offence and could result in disciplinary action and/or summary dismissal.

Engagement with employees

As the Company emerged from an uncertain period caused by Covid disruptions, maintaining strong engagement with our employees has never been more critical, especially in a tightening labour market.

Team welfare was a high priority and we issued regular team surveys and held staff representative meetings to ensure we were in touch with our team and their needs and were able to respond accordingly.

Our team’s personal wellbeing and mental health has been at the forefront of our plans and we have used many of the services provided by Hospitality Action to support our teams during this time.

Corporate Social Responsibility

The directors firmly believe that social responsibility is an integral part of the wealth creation process. This in turn enhances the competitiveness of Oakman as well as improving the wellbeing of our team, the local communities which we serve in and our broader stakeholders.

The Oakman leadership team have consistently paved the way forward for the broader industry by

demonstrating that a long term balanced approach centred around people, planet and profits is the key to building a successful and sustainable business.

Each Oakman Inn raises money for and engages with specific local charities which are chosen at the discretion of the local team.

From a corporate perspective, Oakman has provided significant support for a range of national and industry charities including: The Epilepsy Society, Woodland Trust, Hospitality Action, the Tim Bacon Foundation and many more. Oakman Inns and Restaurants engaged with Tree Nation and planted a tree for every hot drink that was purchased and to date have planted over 1.27 million trees to significantly offset our carbon footprint.

Oakman Inns and Restaurants has a proud record of establishing best practice in terms of sustainability policies across the wider pub industry.

Section 172 Statement

The Directors are aware of their duty under Section 172 of the Companies Act 2006, to act in a way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so, have regard (amongst other matters) to:

• the likely consequences of any decision in the long term

• the interests of the company's employees

• the need to foster the company's business relationships with suppliers, customers and others

• the impact of the company's operations on the community and the environment

• the desirability of the company maintaining a reputation for high standards of business conduct

• the need to act fairly as between members.

Below is how we focus and promote these areas:

Long term impact –

• The Directors regularly update their stakeholders on the balanced scorecard KPI measures and seek debate, challenge and approval from the Board and Non Executive directors.

Employees –

• We gain insight on our employee engagement through effective feedback via team surveys and quarterly team representative meetings, award winning training and development programmes for all levels, apprenticeship schemes, career planning frameworks, fast track leadership development for future general managers, recognition programmes for team members who demonstrate our values and our annual "thank you" festival, Oakfest

• We achieved the Princess Royal Training Award in 2023 in recognition of the scope, standard and quality of our training.

• We offer a comprehensive benefit package by role to support high performance.

• We put team retention at the heart of all decision making

• We participate in the Mind Employers Charter and practice pro active initiatives to promote team well being

• We support the JEDI (Justice, Equality, Diversity and Inclusion) principles in providing training and support to all employees

Customers –

• Building trust with our customers at every stage of the customer journey and ensuring our customers are at the heart of all process such as deposits, cancellations, no shows, refunds, complaints, feedback, free celebratory gifts

• Providing a premium dining and boutique accommodation experience consistently

• Introducing technology to improve the customer journey

• Responding to customer feedback including via social media channels

Suppliers -

• Long term partnerships with suppliers and landlords have been built over the last fourteen years

• We maintain regular conversations with suppliers to agree payment plans which work for both parties

• We build long term partnerships with suppliers focused on quality, provenance and sustainability that are constantly reviewed

Community & Environment -

• As our businesses are rooted in local communities, we operate our licences responsibly

• Working with the charity Tree Nation to help offset our carbon emissions having now planted over 1.27 million trees

• Each site raises funds for their designated local charities

• We recruit our teams mainly from within their local community supporting the local economy

• We focus on environmentally friendly operating procedures such as reduction in single use plastic and a focus on reducing energy consumption and energy efficiency improvements

We have commenced our B Corp accreditation journey

High Standards -

• We employ a balanced scorecard approach to evaluating the quality and consistency of our premium offering

• We source our food products from British and Irish farms

• We ensure quality processes and controls for all areas of the operation

• We use external benchmarking

Acting Fairly between stakeholders -

• Stakeholder engagement relevant for each stakeholder group

• Regular communication and business updates with all stakeholders

Principal risks and uncertainties

The principal risks facing the business are:

Funding – the size and type of debt exposes the business to short term fluctuations in the financial market conditions. Although cashflow and other information is constantly monitored, re engineering the Company's funding structure is a primary focus of the board.

Employment landscape – as a service business, access to sufficient labour is critical. Post Brexit due to the impact of Covid 19, the labour market has contracted. The business is facing this challenge by creating and developing a strategy that attracts, develops and retains the best talent in our market, including but not limited to the development of our Chef Academy.

Inflation – like all retail businesses, consumer confidence can impact discretionary spending decisions by families. High energy prices on households that drive inflation that impact day to day prices risks damaging that confidence.

Food safety – the business retains the highest standards of food safety and places this agenda item at the top of every regular management review meeting.

Data security – the Board has implemented sufficient defences in the Company's IT networks to prevent criminal attacks. A sustained attack, if successful, would disrupt our ability to trade using payment cards.

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

D King
Director

Date: 31 January 2024

DIRECTORS' REPORT
FOR THE PERIOD ENDED 2 JULY 2023

The Directors present their report and the financial statements for the period ended 2 July 2023.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the period, after taxation, amounted to £6,502,872 *(2022 - loss £1,735,469)*.

The Directors do not recommend payment of a dividend (2022 - no dividend).

Directors

The Directors who served during the period were:

P Borg-Neal
A Ford (resigned 18 January 2024)
D King
J Leslie
D Sherratt

Disclosure of information to auditors

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

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

Post balance sheet events and going concern

Refinancing

The Company completed the refinance of the following secured loans:

In January 2024, Santander extended the maturity dates for the Growth Capital Loan Facility and Coronavirus Business Interruption Loan to January 2025 although it should be noted that the Coronavirus Business Interruption Loan is an overdraft and therefore technically repayable on demand.

In January 2024, Haywood (L&C) Limited agreed to extend the maturity date for the Loan Facility to October 2025.

Restructure

On 3 July 2023, the Directors restructured the intercompany loans within Oakman Group and then “hived up” the trade and assets of Oakman Ventures Limited and Hunky Dory Limited net of liabilities by transferring them to Oakman Inns and Restaurants Limited. Following this “hive up” Oakman Inns and Restaurants Limited has acquired the properties and operates a number of additional sites post the restructure. These subsidiary companies no longer trade post the restructure.

Going concern

The company is reliant on the support of the wider Oakman Group.

The Directors have adopted the going concern basis in preparing these financial statements after careful assessment of identified principal risks and in particular, the possible adverse impact on the financial performance, specifically on revenue and cash flows of the cost-of-living crisis currently impacting the UK economy. The cost-of-living crisis is the result of a number of events including the aftermath of Brexit, Covid and the war in Ukraine that has resulted in sharp increases in energy and certain food prices and in turn led to high inflation and a rise in interest rates. This backdrop has impacted the consumers propensity to spend on eating out and seen increases in the cost of food, energy and labour all of which are integral to the Group's business offering.

The Directors believe that because the Group's business outlets are mostly situated in suburban affluent areas, its customers' propensity to spend on eating-out is not impacted as severely as the general UK consumer. Also, the commodity element of the Group's energy contracts were fixed until October 2024 just prior to the war in Ukraine. Increases in food costs have been somewhat mitigated through menu changes and moving supply routes all of which provides some protection to the economic threats imposed by the cost-of-living crisis. The Directors are encouraged by the fact that wholesale energy prices are now lower than their pre-war levels and that the Bank of England economic forecasts inflation to fall further in 2024. Nevertheless, the directors expect the trading environment to remain challenging throughout 2023 and in to the first half of 2024.

As part of the going concern assessment the directors have considered the debt held by the Group and the ability to service interest and capital repayments. Post year end, the Santander loan has been refinanced with repayment now due 31 January 2025, and alongside this repayment of the shareholder loans and accrued interest that are subordinated to this debt was deferred. The forecasts assume that a CBIL overdraft provided by Santander, which although is repayable on demand, will not be called in prior to 31 January 2025.

The forecasts indicate that, as would be expected given the sharp rise in interest rates over a relatively short period, the interest cover covenant on the Cynergy bank loan is at risk of being breached. The Directors recognise that a waiver may be required should this arise, but given that Cynergy have stated their continued support for the business, they are confident of such a waiver being granted.

Despite the Director's confidence in the forecasts, it's strong asset backing and the level of support shown by the Group's lenders, there is an assumption that the CBIL facility, which while technically repayable on demand, will not be recalled and that the Group will continue to receive the support of Cynergy Bank. Were these assumptions to be incorrect, it is recognised that there is material uncertainty which may cast significant doubt surrounding the Group's ability to continue as a going concern.

Auditors

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

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

D King
Director

Date: 31 January 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAKMAN INNS AND RESTAURANTS LIMITED

Opinion

We have audited the financial statements of Oakman Inns and Restaurants Limited (the 'Company') for the period ended 2 July 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 2 July 2023 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the Company is reliant on group support. The wider Group has an overdraft repayable on demand and there is uncertainty over the future financing. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 Annual Report other than the financial statements and our Auditors' 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 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

Auditors' 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 Auditors' 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 consider the most significant laws and regulations that have a direct impact on the financial statements to be:

- FRS102 and Companies Act 2006 compliance: We reviewed of the financial statement disclosures and perform

testing on balances and disclosures.

- Tax regulation: We inspected correspondence with regulators and tax authorities, and reviewed the companies tax computations;

We consider the most significant laws and regulations that have an indirect impact on the financial statements

are:

- Food safety and hygiene: We discussed with management to identify whether they were aware of instances of non-compliance, we reviewed board minutes, we searched for a sample of sites on the FSA website to identify any instances of poor ratings or breaches.

- Licensing: We discussed with management to identify whether they were aware of any instances of non-compliance and we reviewed board minutes.

- Minimum wage: We discussed with management to identify whether they were aware of any instances of non-compliance, we reviewed board minutes and we remained alert for any breaches during our sample testing on payroll.

We considered the following areas to be those where the financial statements are most susceptible to fraud:

- Management override of controls: We evaluated management's controls designed to prevent and detect

irregularities and we sampled and tested journals, in particular journal entries posted with unusual account

combinations, postings by unusual users or with unusual descriptions, and we challenged assumptions and

judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAKMAN INNS AND RESTAURANTS LIMITED (CONTINUED)

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

Andrew Ball (Senior Statutory Auditor)
for and on behalf of
Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

31 January 2024

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 2 JULY 2023

	Note	2023 £	*2022* *£*
Turnover	4	35,663,469	*34,819,622*
Cost of sales		(25,301,178)	*(22,993,773)*
Gross profit		10,362,291	*11,825,849*
Administrative expenses		(12,042,145)	*(8,704,515)*
Other operating income	5	174,251	*296,353*
Exceptional expenditure	12	(309,040)	*(885,498)*
Operating (loss)/profit	6	(1,814,643)	*2,532,189*
Depreciation and amortisation		(2,137,545)	*(1,683,714)*
Total operating (loss)/profit		(3,952,188)	*848,475*
Interest payable and similar expenses	10	(2,550,684)	*(2,583,944)*
Loss before tax		(6,502,872)	*(1,735,469)*
Loss for the financial period		(6,502,872)	*(1,735,469)*
Total comprehensive income for the period		(6,502,872)	*(1,735,469)*

The notes on pages 18 to 39 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 2 JULY 2023

	Note		2023 £		2022 £
Fixed assets					
Intangible assets	13		105,565		*102,516*
Tangible assets	14		22,622,915		*20,554,862*
Investments	15		1,164,712		*1,164,711*
			23,893,192		*21,822,089*
Current assets					
Stocks	16	483,700		*305,823*	
Debtors: amounts falling due within one year	17	21,144,226		*20,926,738*	
Cash at bank and in hand	18	240,518		*3,064,360*	
		21,868,444		*24,296,921*	
Creditors: amounts falling due within one year	19	(60,584,730)		*(54,439,232)*	
Net current liabilities			(38,716,286)		*(30,142,311)*
Total assets less current liabilities			(14,823,094)		*(8,320,222)*
Creditors: amounts falling due after more than one year	20		(1,400,000)		*(1,400,000)*
Net liabilities			(16,223,094)		*(9,720,222)*
Capital and reserves					
Called up share capital	22		1,180,566		*1,180,566*
Share premium account	23		20,693,483		*20,693,483*
Other reserves	23		1,226,357		*1,226,357*
Profit and loss account	23		(39,323,500)		*(32,820,628)*
			(16,223,094)		*(9,720,222)*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

D King
Director

Date: 31 January 2024

The notes on pages 18 to 39 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 2 JULY 2023

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 3 July 2022	1,180,566	20,693,483	1,226,357	(32,820,628)	(9,720,222)
Loss for the period	-	-	-	(6,502,872)	(6,502,872)
At 2 July 2023	1,180,566	20,693,483	1,226,357	(39,323,500)	(16,223,094)

The notes on pages 18 to 39 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 3 JULY 2022

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 4 July 2021	1,180,566	20,693,483	1,226,357	(31,085,159)	(7,984,753)
Loss for the year	-	-	-	(1,735,469)	(1,735,469)
At 3 July 2022	1,180,566	20,693,483	1,226,357	(32,820,628)	(9,720,222)

The notes on pages 18 to 39 form part of these financial statements.

1. General information

Oakman Inns and Restaurants Limited is a company limited by shares, incorporated in England and Wales where it is also registered. The company specialises in the running of premium pubs, with or without letting rooms. The registered office of the company is Saxon House, 211 High Street, Berkhamsted, Hertfordshire, United Kingdom, HP4 1AD.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group. The results of the company and the group headed by it are included in the consolidated financial statements of its parent company Oakman Group Plc.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Oakman Group Plc as at 2 July 2023 and these financial statements may be obtained from Companies House.

2. Accounting policies (continued)

2.3 Going concern

The Company is reliant on the support of the wider Oakman Group.

The Directors have adopted the going concern basis in preparing these financial statements after careful assessment of identified principal risks and in particular, the possible adverse impact on the financial performance, specifically on revenue and cash flows of the cost-of-living crisis currently impacting the UK economy. The cost-of-living crisis is the result of a number of events including the aftermath of Brexit, Covid and the war in Ukraine that has resulted in sharp increases in energy and certain food prices and in turn led to high inflation and a rise in interest rates. This backdrop has impacted the consumers propensity to spend on eating out and seen increases in the cost of food, energy and labour all of which are integral to the Group's business offering.

The Directors believe that because the Group's business outlets are mostly situated in suburban affluent areas, its customers' propensity to spend on eating-out is not impacted as severely as the general UK consumer. Also, the commodity element of the Group's energy contracts were fixed until October 2024 just prior to the war in Ukraine. Increases in food costs have been somewhat mitigated through menu changes and moving supply routes all of which provides some protection to the economic threats imposed by the cost-of-living crisis. The Directors are encouraged by the fact that wholesale energy prices are now lower than their pre-war levels and that the Bank of England economic forecasts inflation to fall further in 2024. Nevertheless, the directors expect the trading environment to remain challenging throughout 2023 and in to the first half of 2024.

As part of the going concern assessment the directors have considered the debt held by the Group and the ability to service interest and capital repayments. Post year end, the Santander loan has been refinanced with repayment now due 31 January 2025, and alongside this repayment of the shareholder loans and accrued interest that are subordinated to this debt was deferred. The forecasts assume that a CBIL overdraft provided by Santander, which although is repayable on demand, will not be called in prior to 31 January 2025.

The forecasts indicate that, as would be expected given the sharp rise in interest rates over a relatively short period, the interest cover covenant on the Cynergy bank loan is at risk of being breached. The Directors recognise that a waiver may be required should this arise, but given that Cynergy have stated their continued support for the business, they are confident of such a waiver being granted.

Despite the Director's confidence in the forecasts, it's strong asset backing and the level of support shown by the Group's lenders, there is an assumption that the CBIL facility, which while technically repayable on demand, will not be recalled and that the Group will continue to receive the support of Cynergy Bank. Were these assumptions to be incorrect, it is recognised that there is material uncertainty which may cast significant doubt surrounding the Group's ability to continue as a going concern.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable for the sale of food and beverage items, as well as room sales in certain pubs, excluding value added tax and other sales taxes. Food and beverage revenue is recognised at the point of sale. Accommodation revenue is recognised in the period in which the services are provided.

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. During the prior year the company received both revenue and asset based grants.

The revenue based grants received in the prior year were in relation to the Coronavirus Job Retention Scheme (CJRS) and they were recognised as Other Income in the Statement of Comprehensive Income. There have been no revenue based grants received in the current year.

The asset based grants received in the prior year were in relation to the Retail, Hospitality and Leisure Grant Fund and they have been recognised as Other Income in the Statement of Comprehensive Income. There have been no asset based grants received in the current year.

As the lead of the group PAYE scheme, the company claimed for grants for all employees within Oakman Group. Where employees work in other group companies, Oakman Inns & Restaurants made the grant claim and paid the amount to the respective companies on receipt. The amount recognised in Other Income in the prior year is solely the amount in relation to employees in this company.

2.7 Finance costs

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

2.8 Borrowing costs

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

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.10 Taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

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

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

2.11 Exceptional items

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

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	5	years

2. Accounting policies (continued)

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	- Over the life of the lease
Plant and machinery	- 10% straight line
Fixtures and fittings	- 10% straight line
Office equipment	- 33% straight line
Other fixed assets	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2. Accounting policies (continued)

2.17 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 Cash and cash equivalents

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

2.19 Creditors

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

2.20 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of furture events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates. The directors consider the valuation of fixed assets to be a critical estimate and judgement applicable to the financial statements.

Tangible Fixed Assets

The estimated useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Due to the significance of tangible fixed asset investment to the company, variations between actual and estimated useful economic lives could impact operating results both positively and negatively, although historically few changes to estimated useful economic lives have been required.

The Company is required to evaluate the carrying values of tangible fixed assets for impairment whenever circumstances indicate, in management's judgement, that the carrying value of such assets may not be recoverable. An impairment review requires management to make subjective judgements and estimates regarding the cash generating units under review. Management have identified each site to be a cash generating unit.

For the sites where there was an indicator of impairment, a review was carried out by comparing the recoverable value of the site to the carrying value. The recoverable value was identified by considering the future cash flows expected at the year end date, an appropriate discount rate and the long term growth rate. All of these values are judgemental and if actual amounts differ from the expected values used there could be a material impact on the financial statements. For the year to 2 July 2023 management have released a historic impairment of £690k.

Recoverability of intercompany and related party debtors

Intercompany balances receivable are reviewed frequently for impairment. Due to the nature of the group relationship with the subsidiary and related party companies, all balances are considered recoverable as at the year end.

4. Turnover

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

	2023 **£**	*2022* *£*
Food and Beverage	31,191,277	*26,711,081*
Accommodation	1,834,651	*3,225,334*
Other	41,741	*14,989*
Management Fees	2,595,800	*4,868,218*
	35,663,469	*34,819,622*

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £	*2022 £*
Net rents receivable	174,251	*160,004*
Government grants receivable	-	*136,349*
	174,251	*296,353*

The Company was awarded a government grant amounting to £nil (2022: £32,007) in relation to the Coronavirus Job Retention scheme. The company was also awarded £nil (2022: £104,342) of government grants under the Retail, Hospitality and Leisure Grant Fund.

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2023 £	*2022 £*
Depreciation of tangible fixed assets	2,086,346	*716,069*
Amortisation of intangible assets	51,199	*79,532*
Other operating lease rentals	2,747,946	*2,717,330*
Defined pension scheme contribution	418,000	*345,899*

7. Auditors' remuneration

During the period, the Company obtained the following services from the Company's auditors:

	2023 £	*2022 £*
Fees payable to the Company's auditors for the audit of the Company's financial statements	41,000	*29,500*

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

8. Employees

Staff costs were as follows:

	2023 £	*2022* £
Wages and salaries	15,180,504	*14,869,097*
Social security costs	1,165,853	*1,100,308*
Cost of defined contribution scheme	418,000	*345,899*
	16,764,357	*16,315,304*

The average monthly number of employees, including the Directors, during the period was as follows:

	2023 No.	*2022* No.
Retail	761	*725*
Office	88	*80*
	849	*805*

9. Directors' remuneration

	2023 £	*2022* £
Directors' emoluments	1,233,169	*1,107,318*
Company contributions to defined contribution pension schemes	39,775	*64,649*
	1,272,944	*1,171,967*

The highest paid Director received remuneration of £220,000 *(2022 - £178,113)*.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL *(2022 - £18,125)*.

10. Interest payable and similar expenses

	2023	2022
	£	£
Bank interest payable	512,394	386,443
Other loan interest payable	2,035,598	2,197,501
Other interest payable	2,692	-
	2,550,684	2,583,944

11. Taxation

	2023	2022
	£	£
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

11. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is the same as *(2022 - the same as)* the standard rate of corporation tax in the UK of 20.53% *(2022 - 19%)* as set out below:

	2023	*2022*
	£	*£*
Loss on ordinary activities before tax	(6,502,872)	*(1,735,469)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.53% (2022 - 19%)	(1,416,064)	*(329,739)*
Effects of:		
Expenses not deductible for tax purposes	795,850	*98,920*
Capital allowances for period/year in excess of depreciation	180,202	*103,238*
Other permanent differences	5,697	*1,397*
Non-taxable income	(131)	*(135)*
Remeasurement of deferred tax charges and rates	(94,515)	*(39,890)*
Deferred tax not recognised	528,961	*166,209*
Total tax charge for the period/year	-	-

Factors that may affect future tax charges

In March 2021 it was announced the UK corporation tax rate would increase to 25% in April 2023. This announcement does not constitute substantive enactment and therefore deferred taxes at the balance sheet date continue to be measured at the enacted tax rate of 19%.

12. Exceptional items

	2023	*2022*
	£	*£*
Other exceptional items	823,731	*545,580*
Fixed asset impairment (reversal) / charge	(689,832)	-
Pre-opening costs	175,141	*339,918*
	309,040	*885,498*

13. Intangible assets

	Development expenditure £
Cost	
At 4 July 2022	838,239
Additions	54,248
At 2 July 2023	892,487
Amortisation	
At 4 July 2022	735,723
Charge for the period	51,199
At 2 July 2023	786,922
Net book value	
At 2 July 2023	105,565
At 3 July 2022	*102,516*

14. Tangible fixed assets

	Leasehold property	Plant and machinery	Fixtures and fittings	Office equipment	Other fixed assets
	£	£	£	£	£
Cost or valuation					
At 4 July 2022	18,113,259	1,570,647	8,657,706	1,384,942	712,232
Additions	1,183,136	2,513	1,599,931	14,865	664,124
At 2 July 2023	19,296,395	1,573,160	10,257,637	1,399,807	1,376,356
Depreciation					
At 4 July 2022	4,129,733	1,278,321	2,635,699	1,318,152	522,019
Charge for the period	761,330	132,966	961,182	64,877	165,993
Impairment losses written back	(689,832)	-	-	-	-
At 2 July 2023	4,201,231	1,411,287	3,596,881	1,383,029	688,012
Net book value					
At 2 July 2023	15,095,164	161,873	6,660,756	16,778	688,344
At 3 July 2022	*13,983,526*	*292,326*	*6,022,007*	*66,790*	*190,213*

14. Tangible fixed assets (continued)

	Total
	£
Cost or valuation	
At 4 July 2022	30,438,786
Additions	3,464,569
At 2 July 2023	33,903,355
Depreciation	
At 4 July 2022	9,883,924
Charge for the period	2,086,348
Impairment losses written back	(689,832)
At 2 July 2023	11,280,440
Net book value	
At 2 July 2023	22,622,915
At 3 July 2022	*20,554,862*

15. Fixed asset investments

	Investments in subsidiary companies
	£
Cost or valuation	
At 3 July 2022	1,164,711
Additions	1
At 2 July 2023	1,164,712

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Oakman Property Limited	Ordinary	100 %
Oakman Ventures Limited	Ordinary	100 %
Oakman Inns (P&E) Limited	Ordinary	100 %
Ashmore Inns Limited	Ordinary	100 %
Oakman Dev Limited	Ordinary	100 %
The Beech Hut Limited*	Ordinary	100 %
Hunky Dory Pubs Limited*	Ordinary	100 %
Downoak Limited*	Ordinary	100 %
Hedderwick Limited*	Ordinary	100 %
Oakman Bedfordshire Holdings Limited*	Ordinary	100 %

*Indirect subsidiary undertakings

The registered address for all subsidiary undertakings, direct or indirect, is Saxon House, 211 High Street, Berkhamsted, Hertfordshire, United Kingdom, HP4 1AD.

16. Stocks

	2023	2022
	£	£
Finished goods and goods for resale	483,700	305,823
	483,700	305,823

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	2023	2022
	£	£
Trade debtors	44,991	413,959
Amounts owed by group undertakings	18,533,242	16,209,824
Amounts owed by related parties	117,739	741,374
Other debtors	2,188,292	1,540,394
Prepayments and accrued income	259,962	2,021,187
	21,144,226	20,926,738

Amounts owed by group undertakings are interest free and are repayable on demand.

18. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	240,518	3,064,360
	240,518	3,064,360

19. Creditors: Amounts falling due within one year

	2023 £	*2022 £*
Bank loans	5,356,308	*5,729,371*
Shareholder loans	8,073,812	*11,598,411*
Trade creditors	3,776,190	*3,616,887*
Amounts owed to group undertakings	29,023,853	*21,919,152*
Amounts owed to related parties	240,493	*261,708*
Other taxation and social security	2,341,317	*4,381,078*
Other creditors	1,861,260	*1,486,520*
Accruals and deferred income	9,911,497	*5,446,105*
	60,584,730	*54,439,232*

See note 21 for details on the loans.

Amounts owed to group undertakings are interest free and repayable on demand.

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

	2023 £	*2022 £*
Other loan	1,400,000	*1,400,000*
	1,400,000	*1,400,000*

See note 21 for details on the loans.

21. Loans

Analysis of the maturity of loans is given below:

	2023 £	*2022 £*
Amounts falling due within one year		
Bank loans	5,356,308	*5,729,371*
Shareholder loans	8,073,812	*11,598,411*
	13,430,120	*17,327,782*
Amounts falling due 2-5 years		
Other loan	1,400,000	*1,400,000*
	1,400,000	*1,400,000*
	14,830,120	*18,727,782*

21. (continued)

Shareholder Loans

During the prior year £3.1m of shareholder loans were converted to equity in Oakman Group Plc. The shareholder loans balance as at 2nd July 2023 is made up of:

£6,367,720 (2022 - £9,948,406) of loans were due in less than one year but subordinated to the bank loan with Santander. Interest on these loans is 10% per annum.

£997,504 (2022 - £962,342) of loans were due in less than one year but subordinated to the bank loan with Santander. Interest on these loans was renegotiated during the prior year to 18% per annum when the business was allowed to trade but a reduced rate of 12% per annum when the business was forced to close due to COVID-19 restrictions.

£708,586 (2022 - £708,586) of loans were due in less than one year but subordinated to the bank loan with Santander with interest payable at 20% per annum.

Other loans

£1,400,000 (2022: £1,400,000) of other loans are due on 29 October 2025 but subordinated to the bank loan with Santander. Interest on these loans is 10% per annum. This loan was previously due on 29 October 2024 but an extension was obtained during the year.

Bank Loans

The bank loans balance is made up of:

A bank loan for £2,980,308 (2022 - £3,373,486) with Santander. The loan is split 84:16 between the Senior Capital Facility and the Growth Capital Facility. Interest is charged at 5% p.a. Since, the period end, the senior capital facility was repaid in full. The Growth Capital Facility is repayable on 31 January 2025. This loan was previously due on 30 April 2024 but an extension was obtained during the year. The loan is secured on this company's leasehold properties.

A £2,376,000 (2022: £2,376,000) overdraft issued through the CBIL's scheme. The overdraft was drawn down on 26 June 2020. The overdraft is repayable on demand and has a maximum term of 3 years. Interest on this overdraft was covered by the government for the first year and is then charged at base rate plus 3.25%. The group has access to another overdraft issued under CBIL's for £386,000 (2022- £386,000). This additional overdraft has the same terms but was not drawn upon as at 2 July 2023. During the year £nil (2022 - £nil) of interest payable on this loan was rolled up into the capital value due to Covid-19 concessions being given. It is now due as part of the final loan repayment and has therefore been disclosed within the bank loan balance. Post year end an extenstion was obtained to January 2025 although it should be noted that the Coronavirus Business Interruption Loan is an overdraft and therefore technically repayable on demand.

22. Share Capital

	2 July 2023	*3 July 2022*
	£	*£*
Allotted, called up and fully paid		
9,826,050 *(2022 - 9,826,050)* Ordinary shares of £0.10 each	982,605	*982,605*
1,978,612 *(2022 - 1,978,612)* Ordinary A shares shares of £0.10 each	197,861	*197,861*
1,000 *(2022 - 1,000)* Ordinary B shares shares of £0.10 each	100	*100*
	1,180,566	*1,180,566*

23. Reserves

Share premium account

Includes any premiums recieved on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Other reserves

The other reserve holds shares to be issued as part of the employee share plan.

It also holds the warrant reserve which reflects the fact the Company issued warrants over £6m of the £18m loan obtained by Oakman Inns (P&E) Limited. This represents an amount that is not a loan, as nothing is repayable, and not share capital.

Profit and loss account

Includes all profits and losses accumulated in the current and previous periods.

24. Pension commitments

The Group in which the Company sits operates a defined contributions pension scheme for all employees within the company. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions totalling £418,000 (2022: £223,400) were payable to the fund at the reporting date.

25. Commitments under operating leases

At 2 July 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2 July 2023 £	*3 July 2022 £*
Not later than 1 year	2,693,000	*2,750,000*
Later than 1 year and not later than 5 years	10,772,000	*10,998,000*
Later than 5 years	41,848,000	*42,514,000*
	55,313,000	*56,262,000*

26. Related party transactions

During the period to 2 July 2023 fees of £542,262 (2022: £1,455,011) were charged to companies under common control due to mutual directors but not subsidiaries of Oakman Group Plc. At the period end £261,825 (2022: £1,570,411) of these fees were owed which are included within the debtors balance.

Included within creditors is £240,492 (2022: £245,748) owed to companies under common control due to mutual directors. Similarly, included within debtors there is £944,063 (2022: £826,325) owed by companies under common control due to mutual directors. Of this amount £826,325 (2022: £826,325) has been provided for at year end.

Included within shareholder loans is an amount of £5,105,732 (2022: £4,897,626) which are loans held by current directors who retired in the year, companies with common directorships and their close family. The total interest accrued on these loans is £5,485,927 (2022; £1,632,939). During the year £1,459,898 (2022: 306,253) of interest was charged.

Included within other loans is an amount of £1,400,000 (2022: £1,400,000) which is a loan owing to a company with mutual directorship. This loan is due for repayment on 29 October 2025 but subordinated to the bank loan with Santander. Interest on this loan is 10% p.a. This loan was previously due on 29 October 2024 but an extension was obtained during the year.

In the prior year an amount of £2,030,522 of shareholders loans owned by Directors or companies with common directors was converted to 804,854 shares in Oakman Group Plc. There were no conversions in the year to 2 July 2023.

27. Post balance sheet events

Refinancing

The Company completed the refinance of the following secured loans:

In January 2024, Santander extended the maturity dates for the Growth Capital Loan Facility and Coronavirus Business Interruption Loan to January 2025 although it should be noted that the Coronavirus Business Interruption Loan is an overdraft and therefore technically repayable on demand.

In January 2024, Haywood (L&C) Limited agreed to extend the maturity date for the Loan Facility to October 2025.

Restructure

On 3 July 2023, the Directors restructured the intercompany loans within Oakman Group and then "hived

up" the trade and assets of Oakman Ventures Limited and Hunky Dory Limited net of liabilities by transferring them to Oakman Inns and Restaurants Limited. Following this "hive up" Oakman Inns and Restaurants Limited has acquired the properties and operates a number of additional sites post the restructure. These subsidiary companies no longer trade post the restructure.

28. Controlling party

The immediate parent and ultimate controlling party is Oakman Group Plc. Its registered address is Saxon House, 211 High Street, Berkhamsted, Hertfordshire, United Kingdom, HP4 1AD. Oakman Group Plc produces consolidated accounts which includes this company.