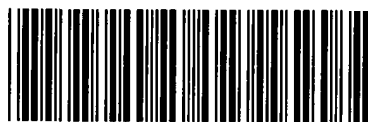


COMPANY REGISTRATION NUMBER 05848645

**FUTURE INNS, BRISTOL GP, LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2020**

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**FUTURE INNS, BRISTOL GP, LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2020**

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**FUTURE INNS, BRISTOL GP, LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

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<b>Director</b>	D G Brett
<b>Company secretary</b>	G J Stockman
<b>Registered office</b>	Hemingway Road Cardiff CF10 4AU

## **FUTURE INNS, BRISTOL GP, LIMITED**

### **DIRECTOR'S REPORT**

#### **YEAR ENDED 31 DECEMBER 2020**

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*The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 December 2020.*

#### **PRINCIPAL ACTIVITY**

Future Inns, Bristol GP, Limited is the General Partner of Future Inns, Bristol, Limited Partnership which is itself the General Partner of Future Inns, Bristol, Limited Partnership. The principal activity of Future Inns, Bristol, Limited Partnership is the running of a hotel.

#### **DIRECTOR**

The director who served the company during the year was as follows:

D G Brett

#### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the director 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 director is required to:

- ☒ select suitable accounting policies and then apply them consistently;
  - ☒ make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

#### **Impact of coronavirus COVID-19**

Due to COVID 19 there remains considerable uncertainty over when revenues will return to a pre-pandemic level due to the ongoing government restrictions impacting occupancy, the duration of government support measures and how quickly the economy will return to normal once the impact of coronavirus abates.

**FUTURE INNS, BRISTOL GP, LIMITED**

**DIRECTOR'S REPORT**

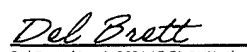
**YEAR ENDED 31 DECEMBER 2020**

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**SMALL COMPANY PROVISION**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed by order of the director

  
Del Brett (Jun 2, 2021 15:59 GMT+1)

D G Brett

Director

Approved by the director on 02/06/2021

**FUTURE INNS, BRISTOL GP, LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2020**

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	Note	2020 £	2019 £
<b>TURNOVER</b>		-	-
Administrative expenses		(548)	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(548)</u>	<u>-</u>
Tax on profit on ordinary activities	4	-	-
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<u>(548)</u>	<u>-</u>

All transactions entered into by the company are on behalf of Future Inns, Bristol, Limited Partnership. Accordingly, no entries are made in the company's profit and loss account.

The notes on pages 7 to 9 form part of these financial statements.

**FUTURE INNS, BRISTOL GP, LIMITED****BALANCE SHEET****YEAR ENDED 31 DECEMBER 2020**

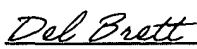
	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Investments	5	1,000	1,000
<b>CURRENT ASSETS</b>			
Debtors	6	4,900	25,171
Cash at bank		739,907	735,515
		<u>744,807</u>	<u>760,686</u>
<b>CREDITORS: Amounts falling due within one year</b>	7	(746,354)	(761,685)
<b>NET CURRENT LIABILITIES</b>		<u>(1,547)</u>	<u>(999)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(547)</u>	<u>1</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	10	1	1
Profit and loss account		(548)	-
		<u>(547)</u>	<u>1</u>

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and the members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Act.

The director acknowledges their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime as set out within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue on 02/06/2021

  
Del Brett (Jun 2, 2021 15:59 GMT+1)

D G Brett  
Director

Company Registration Number: 05848645

The notes on pages 7 to 9 form part of these financial statements.

**FUTURE INNS, BRISTOL GP, LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

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**1. ACCOUNTING POLICIES**

**Basis of preparation of the financial statements**

Future Inns, Bristol GP, Limited is a private company limited by shares and incorporated in England and Wales. The address of the registered office is Hemingway Road, Cardiff CF10 4AU.

These financial statements are prepared in accordance within FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as applied in the context of the small entities regime.

The following principal accounting policies have been applied:

**Financial instruments**

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

Related party payables are classified as basic financial instruments and measured at initial recognition at transaction price, and subsequently at amortised cost using the effective interest rate method.

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

**Going concern**

The financial statements are prepared on a going concern basis.

Due to COVID 19 there remains considerable uncertainty over when revenues will return to a pre-pandemic level due to ongoing government restrictions impacting occupancy, the duration of government support measures and how quickly the economy will return to normal once the impact of coronavirus abates.

The directors have reviewed rolling budgets which consider the impact these restrictions may have on future cash flows and has concluded that the combination of these circumstances represents a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. As such it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the uncertainties, the directors have a reasonable expectation that the Company has adequate resources, or will be able to obtain adequate resources, to continue in operational existence for the foreseeable future, which is at least 12 months from the date of approval of these financial statements. Therefore, they continue to adopt the going concern



**FUTURE INNS, BRISTOL GP, LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

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basis of accounting in preparing the annual financial statements.

**1. ACCOUNTING POLICIES (continued)**

**Consolidation**

The company has not prepared financial statements consolidating the results of its investment in Future Inns, Bristol, Limited Partnership, through Future Inns, Bristol General Partner, Limited Partnership on the grounds that severe long term restrictions exist. The company has taken exemption from producing group financial statements consolidating the results of Future Inns, Bristol General Partner, Limited Partnership under Section 398 of the Companies Act 2006 on the grounds that it is a small group. The financial statements therefore provide information about the company and not its group.

**Investments**

Investments are stated at cost. Provision is made for any impairment in value.

**2. OPERATING PROFIT**

Operating profit is stated after charging:

	2020	2019
	£	£
Director's emoluments	-	-
	<u>          </u>	<u>          </u>

**3. EMPLOYEES**

There were no employees during the current or previous year.

**4. TAXATION ON ORDINARY ACTIVITIES**

No charge to corporation tax has arisen during the year, as a result of the company's principal activity.

**FUTURE INNS, BRISTOL GP, LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

---

**5. INVESTMENTS**

	Unlisted Investments £
<b>COST</b>	
At 1 January 2020	1,000
Additions	-
	<hr/>
At 31 December 2020	1,000
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2020	1,000
	<hr/>
At 31 December 2019	1,000
	<hr/>

Future Inns, Bristol GP, Limited is the General Partner of Future Inns, Bristol, Limited Partnership and under the terms of the agreement had to contribute £1,000 to the capital of the partnership.

During the year ended 31 December 2020, Future Inns, Bristol General Partner, Limited Partnership generated a loss of £1,073,371 (2019 – profit of £312,744). At the year end, the balance on the capital and income accounts of the General Partner was £1,000 (2019 - £1,000) and the balance on the capital and income accounts of the Limited Partners was £5,762,510 (2019 - £6,895,881).

The Head Office of Future Inns, Bristol, Limited Partnership and Future Inns, Bristol General Partner, Limited Partnership is Queensgate South, Hemingway Road, Cardiff, CF10 4AU. Copies of the accounts for the year ended 31 December 2020 are to be appended to the financial statements filed at Companies House.

**6. DEBTORS**

	2020 £	2019 £
Amounts owed by related undertakings	4,900	25,171
	<hr/>	<hr/>

**7. CREDITORS: Amounts falling due within one year**

	2020 £	2019 £
Amounts owed to related undertakings	746,354	761,685
	<hr/>	<hr/>

**FUTURE INNS, BRISTOL GP, LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2020**

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**8. RELATED PARTY TRANSACTIONS**

The company is the General Partner of Future Inns, Bristol General Partner, Limited Partnership and Future Inns, Bristol, Limited Partnership.

In accordance with the partnership agreement, management and franchise fees of £136,935 (2019: £300,382) are receivable during the year from Future Inns, Bristol, Limited Partnership. At the year end an amount of £4,900 (2019: £25,171) was owed by Future Inns, Bristol, Limited Partnership in relation to management and franchise fees.

The company is controlled by the director.

**9. BANK FACILITIES**

The company has guaranteed the bank liabilities of Future Inns, Bristol, Limited Partnership. The bank liabilities at 31 December 2020 amounted to £9,950,000 (2019: £9,200,000).

**10. SHARE CAPITAL**

**Authorised share capital:**

	2020	2019
	£	£
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>

**Allotted, called up and fully paid:**

	2020		2019	
	No	£	No	£
Ordinary shares of £1 each	1	1	1	1
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**REGISTRATION NUMBER LP013664**

**FUTURE INNS, BRISTOL GENERAL PARTNER, LIMITED  
PARTNERSHIP  
FINANCIAL STATEMENTS  
31 DECEMBER 2020**

**FUTURE INNS, BRISTOL GENERAL PARTNER, LIMITED PARTNERSHIP**

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**YEAR ENDED 31 DECEMBER 2020**

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**FUTURE INNS, BRISTOL GENERAL PARTNER, LIMITED PARTNERSHIP**  
**REPORT ON BEHALF OF THE GENERAL PARTNER**  
**YEAR ENDED 31 DECEMBER 2020**

---

The general partner has pleasure in presenting its report and the financial statements of the partnership for the year ended 31 December 2020.

**PRINCIPAL ACTIVITIES**

Future Inns, Bristol General Partner, Limited Partnership is the General Partner of Future Inns, Bristol General Partner, Limited which is itself the General Partner of Future Inns, Bristol, Limited Partnership. The principal activity of Future Inns, Bristol, Limited Partnership is the running of a hotel.

**STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The General Partner is responsible for preparing the report on behalf of the general partner and the financial statements in accordance with applicable law and regulations.

Company law as applied to qualifying partnerships requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that year.

In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions, and disclose with reasonable accuracy at any time the financial position of the Partnership, and enable the General Partner to ensure that the financial statements comply with the Companies Act 2006, as applied to qualifying partnerships. The General Partner is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Impact of coronavirus COVID-19**

Due to COVID 19 there remains considerable uncertainty over when revenues will return to a pre-pandemic level due to the ongoing government restrictions impacting occupancy, the duration of government support measures and how quickly the economy will return to normal once the impact of coronavirus abates.

**FUTURE INNS, BRISTOL GENERAL PARTNER, LIMITED PARTNERSHIP**  
**REPORT ON BEHALF OF THE GENERAL PARTNER**  
**YEAR ENDED 31 DECEMBER 2020**

---

This report has been prepared in accordance with the special provisions for small entities under Part 15 of the Companies Act 2006 as applied to qualifying partnerships.

*Del Brett*  
Del Brett (Jun 2, 2021 15:59 GMT+1)

D G Brett

Date: 02/06/2021

**FUTURE INNS, BRISTOL GENERAL PARTNER, LIMITED PARTNERSHIP**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2020**

	Year ended 31 Dec 20 £	Year ended 31 Dec 19 £
<b>REVENUE</b>		
Management and franchise fees receivable	136,935	300,382
<b>EXPENSES</b>		
Partnership expenses	-	(69)
<b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	136,935	300,313
<b>GENERAL PARTNER'S SHARE OF TOTAL COMPREHENSIVE INCOME</b>	-	-
<b>LIMITED PARTNERS' SHARE OF TOTAL COMPREHENSIVE INCOME</b>	136,935	300,313

The notes on pages 7 to 9 form part of these financial statements.



**FUTURE INNS, BRISTOL GENERAL PARTNER, LIMITED PARTNERSHIP**  
**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2020**

	Note	2020 £	£	2019 £	£
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments	4		1,000		1,000
<b>CURRENT ASSETS</b>					
Amounts due from related parties	5		1,146,354		1,161,685
Cash at bank and in hand			-		-
<b>TOTAL ASSETS</b>			<u>1,146,354</u>		<u>1,161,685</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Amounts due to related parties	5		-		-
<b>TOTAL LIABILITIES</b>			<u>-</u>		<u>-</u>
<b>LIMITED PARTNERS' CAPITAL</b>					
Capital account			-		-
Income account:					
- Balance brought forward		1,161,685		1,413,571	
- Share of net profit		136,935		300,313	
- Cash distributions		<u>(152,266)</u>		<u>(552,199)</u>	
			1,146,354		1,161,685
Total Limited Partners' Capital			<u>1,146,354</u>		<u>1,161,685</u>
<b>GENERAL PARTNER'S CAPITAL</b>					
Capital account	6		1,000		1,000
Income account			-		-
Total General Partner's Capital			<u>1,000</u>		<u>1,000</u>
<b>TOTAL EQUITY</b>			<u>1,457,354</u>		<u>1,162,685</u>
			<u>1,457,354</u>		<u>1,162,685</u>

The General Partner is satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 as applied to qualifying partnerships relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

**FUTURE INNS, BRISTOL GENERAL PARTNER, LIMITED PARTNERSHIP**  
**STATEMENT OF FINANCIAL POSITION *(continued)***  
**31 DECEMBER 2020**


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The General Partner acknowledges his responsibility for:

- (i) ensuring that the partnership keeps proper accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the partnership as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the qualifying partnership.

These financial statements have been prepared in accordance with the special provision for small entities under Part 15 of the Companies Act 2006 as applied to qualifying partnerships.

The financial statements were approved by the General Partner on 02/06/2021

  
Del Brett (Jun 2, 2021 15:59 GMT+1)

D G Brett

Registration Number: LP013664

**The notes on pages 7 to 9 form part of these financial statements.**

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**FUTURE INNS, BRISTOL GENERAL PARTNER, LIMITED PARTNERSHIP**  
**STATEMENT OF CHANGES IN PARTNERS' CAPITAL**  
**YEAR ENDED 31 DECEMBER 2020**

	Year ended 31 Dec 20 £	Year ended 31 Dec 19 £
<b>LIMITED PARTNERS' CAPITAL</b>		
<b>Balance at beginning of year</b>	1,161,685	1,413,571
<b>SHARE OF COMPREHENSIVE INCOME</b>	<u>136,935</u>	<u>300,313</u>
	1,298,620	1,713,884
Cash distributions	<u>(152,266)</u>	<u>(552,199)</u>
<b>Balance at end of year</b>	<u><u>1,146,354</u></u>	<u><u>1,161,685</u></u>
Allocated as follows:		
Capital account	<u>-</u>	<u>-</u>
Income account	<u><u>1,146,354</u></u>	<u><u>1,161,685</u></u>
<b>GENERAL PARTNER'S CAPITAL</b>		
<b>Balance at beginning of year</b>	1,000	1,000
<b>SHARE OF COMPREHENSIVE INCOME</b>	<u>-</u>	<u>-</u>
	1,000	1,000
Cash distributions	<u>-</u>	<u>-</u>
<b>Balance at end of year</b>	<u><u>1,000</u></u>	<u><u>1,000</u></u>
Allocated as follows:		
Capital account	<u><u>1,000</u></u>	<u><u>1,000</u></u>
Income account	<u>-</u>	<u>-</u>

The notes on pages 7 to 9 form part of these financial statements.

## **FUTURE INNS, BRISTOL GENERAL PARTNER, LIMITED PARTNERSHIP**

### **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 DECEMBER 2020**

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#### **1. DESCRIPTION OF BUSINESS**

Future Inns, Bristol General Partner, Limited Partnership is a limited partnership formed under the Limited Partnership Act 1907. The partnership manages and provides franchised services on behalf of Future Inns, Bristol General Partner, Limited.

The registered office is at Hemingway Road, Cardiff, CF10 4AU.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of preparation**

These financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as applied in the context of the small entities regime.

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards and the Future Inns, Bristol General Partner, Limited Partnership agreement.

These financial statements reflect the operations of Future Inns, Bristol General Partner, Limited Partnership. They do not include all the assets, liabilities and earnings of the partners. No provision has been made in these financial statements for income taxes, which are the responsibility of each partner.

The financial statements have been prepared on a going concern basis.

##### **Going concern**

The financial statements are prepared on a going concern basis.

Due to COVID 19 there remains considerable uncertainty over when revenues will return to a pre-pandemic level due to ongoing government restrictions impacting occupancy, the duration of government support measures and how quickly the economy will return to normal once the impact of coronavirus abates.

The general partner has reviewed rolling budgets which consider the impact these restrictions may have on future cash flows and has concluded that the combination of these circumstances represents a material uncertainty that may cast significant doubt upon the Limited Partnership's ability to continue as a going concern. As such it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the uncertainties, the general partner has a reasonable expectation that the Limited Partnership has adequate resources, or will be able to obtain adequate resources, to continue in operational existence for the foreseeable future, which is at least 12 months from the date of approval of these financial statements. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**FUTURE INNS, BRISTOL GENERAL PARTNER, LIMITED PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 DECEMBER 2020**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**Consolidation**

The partnership has not prepared financial statements consolidating the results of its investment in Future Inns, Bristol General Partner, Limited on the grounds that severe long term restrictions exist.

**Revenue recognition**

The revenue shown in the statement of comprehensive income represents management and franchise income receivable in the year.

**Investments**

Investments are stated at cost. Provision is made for any impairment in value.

**Financial instruments**

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

Related party receivables and payables are classified as basic financial instruments and measured at initial recognition at transaction price, and subsequently at amortised cost using the effective interest rate method. A provision is established where there is objective evidence that the partnership will not be able to collect all amounts due.

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

**3. EMPLOYEES**

There were no employees during the current or previous year.

**FUTURE INNS, BRISTOL GENERAL PARTNER, LIMITED PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 DECEMBER 2020**

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**4. INVESTMENTS**

	Unlisted Investments £
<b>COST</b>	
At 1 January 2020 and 31 December 2020	<u>1,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>1,000</u>
At 31 December 2019	<u>1,000</u>

Future Inns, Bristol General Partner, Limited Partnership is the General Partner of Future Inns, Bristol General Partner, Limited and under the terms of the partnership agreement had to contribute £1,000 to the capital of the partnership.

**5. RELATED PARTY TRANSACTIONS**

In accordance with the partnership agreement, management and franchise fees of 8% of room hire revenue and 3% of other revenues receivable by Future Inns, Bristol, Limited Partnership are payable to the partnership. Management and franchise fees of £136,935 (2019: £300,382) were receivable by the partnership during the year in respect of this agreement. The partnership was owed £nil (2019: £nil) by Future Inns, Bristol, Limited Partnership in respect of management and franchise fees at the year end.

At the year end, a balance of £400,000 (2019 - £400,000) was owed by Future Inns, Bristol, Limited Partnership, in respect of previous loan amounts.

At the year end, a balance of £745,354 (2018 - £760,685) was owed by Future Inns, Bristol GP, Limited, in respect of management and franchise fees.

As at the year end an amount of £1,000 (2019 - £1,000) was owed by Future Inns, Bristol GP, Limited in respect of previous capital contributions.

**FUTURE INNS, BRISTOL GENERAL PARTNER, LIMITED PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 DECEMBER 2020**

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**6. PARTNERS' CAPITAL AND SHARING OF INCOME**

The income and losses are allocated to the limited partners under the terms of the limited partnership agreement and are reduced by cash distributions. Net gains and losses are distributed 100% to the limited partners. Income arising in respect of the management and franchise fees are allocated to Del Brett and income arising in respect of cash distributions are split 50% to each limited partner.

Movements in partners' capital accounts during the period:

	31 Dec 20	31 Dec 19
	£	£
General partner's capital account	<u>1,000</u>	<u>1,000</u>
Limited partners' capital accounts	<u>-</u>	<u>-</u>

The General Partner has contributed £1,000 to the capital of the partnership.

**REGISTRATION NUMBER LP011838**

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**ANNUAL REPORT**  
**31 DECEMBER 2020**



**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

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**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**REPORT ON BEHALF OF THE GENERAL PARTNER**  
**YEAR ENDED 31 DECEMBER 2020**

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I'm pleased to attach audited statements of account for Future Inns, Bristol, Limited Partnership for the financial year ending 31 December 2020 and to provide a discussion of the impact of the coronavirus pandemic on our business.

2020 was a challenging operating environment. After a strong start to the year, the Bristol hotel closed on 23 March 2020 as the UK government ordered the closure of all hotel's other than to provide accommodation to key workers to respond to coronavirus. The hotel was permitted to reopen on 4<sup>th</sup> July, with appropriate social distancing and other measures. The hotel experienced a strong trading period through the summer months benefitting from staycations in the UK. On 5<sup>th</sup> November the UK government the mandated increased restrictions as the prevalence of coronavirus increased. The hotel has remained open since that date, operating under varied degrees of restriction, generally hosting only key workers, serving food via room service, with the hotel restaurant and conference facilities remaining closed. Our expectation is that restrictions will be eased over the coming months and that the hotel will return to more normalized operations during the summer of 2021.

Revenue during the year, decreased 55% from £4,294,000 to £1,933,000 in 2020. The hotel implemented actions to reduce payroll costs, control expenditures and preserve working capital. The hotel benefited from government support measures including:

- The Job Retention Scheme, under which staff were furloughed, receiving 80% of their usual earnings, with the hotel claiming £396,000 under this program
- The Coronavirus Business Interruption Loan Scheme (CBILS), under which the Bristol hotel received loan in the amount of £750,000
- Business rates were waived for the fiscal tax year 2020/21
- The reduced VAT rate from 20% to 5% on hospitality revenues
- The deferral of VAT remittances and
- The Eat Out to Help Scheme

For the financial year 2020, we incurred a loss, before depreciation of £227,000 versus profit, before depreciation of £523,000 during the prior year.

	2020	2019
Profit (loss) and total comprehensive income, as reported in the statement of comprehensive income	(1,083,371)	312,744
Depreciation	214,804	210,470
Impairment charge	<u>605,849</u>	<u>-</u>
Profit (loss) before depreciation, as reported in our management accounts	<u>(226,718)</u>	<u>523,214</u>

During July 2020 the hotels received additional funding under the Coronavirus Business Interruption Loan Scheme (CBILS). The Bristol hotel received a CBILS loan in the amount of £750,000, which has no interest free or principal repayments for the first year, bearing interest thereafter at 3.5% plus the base rate and repayable over five years.

The Bristol hotel's outstanding bank debt is £9,950,000 (2019 - £9,200,000). The hotel held cash balances of £658,000 (2019 - £501,000)

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**REPORT ON BEHALF OF THE GENERAL PARTNER (continued)**  
**YEAR ENDED 31 DECEMBER 2020**

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Distributions were made to Limited Partners in February 2020 in the amount of £60,000 (2019 - nil). No distributions were made since the onset of the pandemic and it is not anticipated that distributions will be made during 2021.

Our 2021 budget is per the five-year forecast that was prepared in conjunction with our application for the CBILS loans. This was based on the original 2020 budget, with specific adjustments and reflect normalized trading activities. We have implemented a rolling forecast, updated periodically to reflect anticipated occupancy and trading results, the easing of government restrictions and announced government support measures.

There remains considerable uncertainty about the long-term impact that the pandemic will have on our business, the easing of restrictions, the duration of government support measures and how quickly the economy will return to normal once the impact of coronavirus abates.

Since our opening in 2009, the Bristol hotel market has proven to be resilient. Our hotel's established clientele, the strength of its operations, guest satisfaction rankings and our desired location in Bristol Cabot Circus, will support the continued strength of Future Inns.

**STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The General Partner is responsible for preparing the strategic report, the report on behalf of the general partner and the financial statements in accordance with applicable law and regulation.

Company law as applied to qualifying partnerships requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that year.

In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions, and disclose with reasonable accuracy at any time the financial position of the Partnership, and enable the General Partner to ensure that the financial statements comply with the Companies Act 2006, as applied to qualifying partnerships. The General Partner is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**REPORT ON BEHALF OF THE GENERAL PARTNER (continued)**  
**YEAR ENDED 31 DECEMBER 2020**

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**PROVISION OF INFORMATION TO AUDITORS**

The General Partner at the time when this report is approved has confirmed that:

- so far as the General Partner is aware, there is no relevant audit information of which the partnership's auditors are unaware, and
- the General Partner has taken all the steps that ought to have been taken as a General Partner in order to be aware of any information needed by the partnership's auditors in connection with preparing their report and to establish that the partnership's auditors are aware of that information.

Del Brett

Del Brett (Mar 31, 2021 12:01 GMT+1)

D G Brett

Date: 31/03/2021

For and on behalf of Future Inns, Bristol GP, Limited as General Partner, and also on behalf of Future Inns, Bristol General Partner, Limited Partnership which has been delegated to carry out certain of the duties of the General Partner.

## **FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**

### **STRATEGIC REPORT (continued)**

#### **YEAR ENDED 31 DECEMBER 2020**

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The general partner is pleased to present its Strategic Report for the year ending 31 December 2020.

#### **PRINCIPAL ACTIVITY**

The principal activity of the partnership is the management and operation of the Future Inns hotel located in Bristol.

#### **BUSINESS REVIEW**

A comprehensive business review is provided in the report of the general partner on page 1.

The financial performance of the partnership during the year and the financial position of the partnership at the end of the year are detailed on pages 9 and 12-13 respectively.

The key performance indicators (KPIs) reported monthly to key stakeholders and used by management for the purpose of monitoring the performance of the partnership are as follows:

- Earnings before interest, tax, depreciation, amortisation and management and franchise fees (EBITDAM)
- Revenue per available room (RevPAR)
- Debt service cover (calculated as a ratio of EBITDAM to capital and interest payments)

Owing to the factors noted in the report on behalf of the General Partner:

- The hotel generated EBITDAM of £206,000 during 2020 versus £1,264,000 during 2019.
- Revenue per available room during 2020 was £38.04 on the 264 days open during the year (2019 - £58.41), a decrease of 35%.
- The hotel's debt service cover ratio of 0.6 during 2020 (2019 – 1.8).

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

Future Inns, Bristol, Limited Partnership is dependent on the continued support of its Limited Partners, the provision of loan finance from the bank and government support measures through the coronavirus pandemic.

In the immediate term Future Inns is dependent on the continuation of government support measures, including the job retention scheme, the availability of the government guaranteed loan scheme, reduced business rates, the reduced VAT rate, the extended repayment of deferred VAT remittances and other available grants to mitigate the impact on short term cash flow and to preserve working capital.

The Group is reliant on the continued forbearance of the senior lender, as a result of the reduction in earnings and the breach certain financial covenants contained in the Agreement. The lender has agreed to waive the breach of such financial covenants to 31st March 2021.

The reliance on bank loan finance also brings with it an element of interest rate risk which is managed via long term financing agreements.

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**

**STRATEGIC REPORT (continued)**

**YEAR ENDED 31 DECEMBER 2020**

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While the hotel chain is also susceptible to wider economic change and fluctuations in the discretionary spending power of the population, diversity in the target market ensures that the impact of any such change is minimised.

The viability of the hotel group is dependent on the resumption of trading activity and the abatement of the coronavirus pandemic.

Del Brett

Del Brett (Mar 31, 2021 12:01 GMT+1)

D G Brett

Date: 31/03/2021

For and on behalf of Future Inns, Bristol GP, Limited as General Partner, and also on behalf of Future Inns, Bristol General Partner, Limited Partnership which has been delegated to carry out certain of the duties of the General Partner.

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**  
**YEAR ENDED 31 DECEMBER 2020**

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**Opinion**

We have audited the financial statements of Future Inns, Bristol, Limited Partnership (the 'qualifying partnership') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash flows, Statement of Changes in Partners' Capital and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

**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 qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty relating to going concern**

We draw attention to notes 2 and 7 to the financial statements concerning the qualifying partnership's ability to continue as a going concern.

*The impact of the COVID-19 pandemic on the business remains unquantifiable at this stage, particularly in relation to the length of time which the hotel operations will remain restricted, the duration of government support measures and how quickly the economy will return to normal once the impact of coronavirus abates. The General Partner has reviewed rolling budgets which have considered the impact of these restrictions on future cash flows. As a result of the public health measures in place, during the year there was breach in financial covenants with the lender agreeing a waiver for the period through to 31 March 2021.*

These conditions, along with other matters explained in notes 2 and 7 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the qualifying partnership's ability to continue as a going concern. Our opinion is not modified in respect of this matter. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The General Partner is 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.

## **FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)**

**YEAR ENDED 31 DECEMBER 2020**

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#### **Opinions on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships**

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

- the information given in the strategic report and the Report of the General Partner for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Report of the General Partner 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 qualifying partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Report of the General Partner.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to qualifying partnerships 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 the General Partner's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the General Partner**

As explained more fully in the Statement of General Partner's Responsibilities set out on page 2, the General Partner is 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 General Partner determines 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 General Partner is responsible for assessing the qualifying partnership'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 General Partner either intends to liquidate the qualifying partnership or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We also drew on our existing understanding of the company's industry and regulation.

We understand that the company complies with requirements of the framework through:

- Engaging with independent advisors to perform regular reviews of health & safety procedures in place at sites operated by the company
- Making note of relevant updates from external experts, and updating internal procedures and controls as necessary as legal and regulatory requirements change
- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly and are considered at Board meetings.



## **FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)**

#### **YEAR ENDED 31 DECEMBER 2020**

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

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries, impairment of the hotels and incorrect recognition of revenue. These areas were communicated to the other members of the engagement team who were not present at the discussion.

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

- Testing of a sample of revenue transactions to underlying documentation; and
- Consideration of the inputs for the impairment modelling; and
- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the company's processes and controls surrounding manual journal entries.

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

A further description of our responsibilities for the audit is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 qualifying partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the qualifying partnership's partners 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 qualifying partnership and the qualifying partnership's partners as a body, for our audit work, for this report, or for the opinions we have formed.

  
Carl Deane (Mar 31, 2021 12:03 GMT+1)

Carl Deane  
Senior Statutory Auditor, for and on behalf of  
**Nexia Smith & Williamson**  
Statutory Auditor  
Chartered Accountants

Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

Date: 31/03/2021

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2020**

		Year ended 31 Dec 20 £	Year ended 31 Dec 19 £
<b>REVENUE</b>	<b>Page 10</b>	<u>1,932,695</u>	<u>4,293,724</u>
<b>EXPENSES</b>			
Controllable expenses	<b>Page 10</b>	(1,045,323)	(1,693,450)
Payroll expenses	<b>Page 11</b>	(1,035,428)	(1,165,318)
Business rates		<u>(42,872)</u>	<u>(170,548)</u>
		<u>(2,123,623)</u>	<u>(3,029,316)</u>
<b>PROFIT BEFORE INTEREST, IMPAIRMENT DEPRECIATION AND GENERAL PARTNER'S REMUNERATION</b>		(190,928)	1,264,408
Depreciation	<b>Note 5</b>	(214,804)	(210,470)
Other income	<b>Note 6</b>	<u>396,484</u>	<u>-</u>
<b>PROFIT BEFORE INTEREST, IMPAIRMENT AND GENERAL PARTNER'S REMUNERATION</b>		(9,248)	1,053,938
Impairment charge		(605,849)	-
<b>(LOSS)/PROFIT BEFORE INTEREST AND GENERAL PARTNER'S REMUNERATION</b>		(615,097)	(2,096,377)
Interest on debt	<b>Note 7</b>	<u>(331,339)</u>	<u>(440,812)</u>
<b>PROFIT BEFORE GENERAL PARTNER'S REMUNERATION</b>		(946,436)	613,126
General Partner's remuneration	<b>Note 8</b>	<u>(136,935)</u>	<u>(300,382)</u>
<b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		(1,083,371)	312,744
<b>GENERAL PARTNER'S SHARE OF TOTAL COMPREHENSIVE (EXPENSE)/INCOME</b>		<u>-</u>	<u>-</u>
<b>LIMITED PARTNERS' SHARE OF TOTAL COMPREHENSIVE (EXPENSE)/INCOME</b>		<u>(1,083,371)</u>	<u>312,744</u>

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**DETAILED BREAKDOWN OF INCOME AND EXPENSES**  
**YEAR ENDED 31 DECEMBER 2020**

<b>REVENUE</b>	Year ended 31 Dec 20 £	Year ended 31 Dec 19 £
Room revenue	1,496,206	3,176,534
Restaurant revenue	353,615	862,318
Conference revenue	81,048	248,782
Other revenue	1,826	6,090
	<u>1,932,695</u>	<u>4,293,724</u>
<b>EXPENSES</b>		
<b>Controllable expenses</b>		
Professional fees	48,718	75,942
Advertising	25,471	53,631
Food purchases	98,507	209,878
Beverage purchases	27,544	70,582
Consumable supplies	5,652	13,746
Cleaning supplies	31,203	51,662
Commissions	185,713	339,027
Credit card charges	27,934	62,517
Dry cleaning and other guest services	10,099	21,989
IT services	65,902	85,344
Electricity	143,274	184,701
Insurance	38,561	35,061
Bank charges	2,634	4,946
Licenses	7,162	7,364
Office and printed supplies	4,593	8,751
FF&E replacement	4,692	16,609
Repairs and maintenance	102,970	160,349
Training and payroll expense	9,379	22,660
Room supplies	29,957	68,768
Security	4,503	7,682
Telephone	11,764	10,546
Bad debts	2,812	2,261
Water and gas	53,060	80,936
Head office costs	103,219	98,498
	<u>1,045,323</u>	<u>1,693,450</u>

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP****DETAILED BREAKDOWN OF INCOME AND EXPENSES *(continued)*****YEAR ENDED 31 DECEMBER 2020**

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	Year ended 31 Dec 20 £	Year ended 31 Dec 19 £
<b>Payroll expenses</b>		
Hotel and restaurant wages	962,358	1,080,870
Hotel and restaurant NI	57,644	66,406
Hotel and restaurant pension	15,426	18,042
	<u>1,035,428</u>	<u>1,165,318</u>

The average number of employees during the year was as follows:

	2020 No.	2019 No.
Management and administration staff	17	17
Service staff	43	45
	<u>60</u>	<u>62</u>

Total remuneration of key management personnel for the year was £75,312 (2019: £75,615).

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2020**

	Note	31 Dec 20 £	31 Dec 19 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	16,470,000	17,289,987
<b>CURRENT ASSETS</b>			
Inventories		6,353	14,532
Accounts receivable		6,355	55,854
Prepaid expenses		75,825	80,790
Cash at bank and in hand		658,408	500,972
		<u>746,941</u>	<u>652,148</u>
<b>TOTAL ASSETS</b>		<u>17,216,941</u>	<u>17,942,135</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Bank loan	7	9,478,855	-
Finance lease liability		13,216	19,358
Accounts payable		120,998	245,139
Amounts due to related parties	8	944,688	426,507
Loans due to General Partner	8, 10	4,900	550,852
Other taxes and social security		76,290	185,756
Booking deposits		26,216	51,775
Accrued liabilities		83,414	132,017
<b>CURRENT LIABILITIES</b>		<u>10,748,577</u>	<u>1,611,404</u>
<b>NON CURRENT LIABILITIES</b>			
Bank loan	7	712,500	9,418,280
Finance lease liability		2,354	15,570
<b>NON CURRENT LIABILITIES</b>		<u>714,854</u>	<u>9,433,850</u>
<b>TOTAL LIABILITIES</b>		<u>11,463,431</u>	<u>11,045,254</u>

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**STATEMENT OF FINANCIAL POSITION** *(continued)*  
**31 DECEMBER 2020**

	Note	31 Dec 20	31 Dec 19
		£	£
<b>LIMITED PARTNERS' CAPITAL</b>			
Capital account	11	8,000,000	8,000,000
Income account			
- Balance brought forward		(1,104,119)	(1,416,863)
- Share of profit		(1,083,371)	312,744
- Cash Distributions		(60,000)	-
- Balance carried forward		(2,247,490)	(1,104,119)
Total Limited Partners' Capital		<u>5,752,510</u>	<u>6,895,881</u>
<b>GENERAL PARTNER'S CAPITAL</b>			
Capital account	11	1,000	1,000
Income account			
- Balance brought forward		-	-
- Share of profit		-	-
- Balance carried forward		-	-
Total General Partner's Capital		<u>1,000</u>	<u>1,000</u>
<b>TOTAL EQUITY</b>		<u>5,753,510</u>	<u>6,896,881</u>
		<u>17,216,941</u>	<u>17,942,135</u>
<b>PARTNERS' INTEREST</b>			
Loans and other debts due to members	10	4,900	550,852
Partners' Equity		<u>5,753,510</u>	<u>6,896,881</u>
<b>TOTAL PARTNERS' INTEREST</b>		<u>5,758,410</u>	<u>7,447,733</u>

These financial statements were approved and authorised for issue by the General Partner on  
and are signed on their behalf by:

31/03/2021

Del Brett  
Del Brett (Mar 31, 2021 12:01 GMT+1)

D G Brett

For and on behalf of Future Inns, Bristol GP, Limited as General Partner, and also on behalf of Future Inns, Bristol General Partner, Limited Partnership which has been delegated to carry out certain of the duties of the General Partner.

Registration Number: LP011838

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2020**

	£	Year ended 31 Dec 20 £	Year ended 31 Dec 19 £
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		(204,276)	1,027,979
<b>INVESTING ACTIVITIES</b>			
Purchase of property plant and equipment	(666)	(64,999)	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(666)	(64,999)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	-	(9,474,239)	
Finance lease repayments	(19,358)	(27,766)	
Interest paid	(308,264)	(440,812)	
Cash distributions	(60,000)	-	
Advance of bank loan	750,000	9,018,280	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		362,378	(924,537)
<b>Net increase in cash and cash equivalents</b>		157,436	38,443
<b>Cash and cash equivalents at the beginning of the year</b>		500,972	462,529
<b>Cash and cash equivalents at the end of the year</b>		658,408	500,972
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>			
Cash at bank and in hand		658,408	500,972

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**STATEMENT OF CASH FLOWS** *(continued)*  
**YEAR ENDED 31 DECEMBER 2020**

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**NET CASH GENERATED FROM OPERATING ACTIVITIES**

	Year ended 31 Dec 20	Year ended 31 Dec 19
	£	£
Net profit	(1,083,371)	312,744
Depreciation	214,804	210,470
Impairment	605,849	-
Interest expensed to statement of income	331,339	440,812
Decrease/(Increase) in inventories	8,179	(320)
Decrease/(Increase) in debtors	54,464	(9,823)
(Decrease)/Increase in creditors	(335,540)	74,096
<b>Net cash inflow from operating activities</b>	<u>(204,276)</u>	<u>1,027,979</u>



**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**STATEMENT OF CHANGES IN PARTNERS' CAPITAL**  
**YEAR ENDED 31 DECEMBER 2020**

	Year ended 31 Dec 20 £	Year ended 31 Dec 19 £
<b>LIMITED PARTNERS' CAPITAL</b>		
<b>Balance at beginning of year</b>	6,895,881	6,583,137
<b>SHARE OF COMPREHENSIVE INCOME</b>	(1,073,371)	312,744
	<u>5,822,510</u>	<u>6,895,881</u>
Cash distributions	(60,000)	-
<b>Balance at end of year</b>	<u>5,762,510</u>	<u>6,895,881</u>
Allocated as follows:		
Capital account	<u>8,000,000</u>	<u>8,000,000</u>
Income account	<u>(2,247,490)</u>	<u>(1,104,119)</u>
<b>GENERAL PARTNER'S CAPITAL</b>		
<b>Balance at beginning of year</b>	1,000	1,000
<b>SHARE OF COMPREHENSIVE INCOME</b>	-	-
	<u>1,000</u>	<u>1,000</u>
Cash distributions	-	-
<b>Balance at end of year</b>	<u>1,000</u>	<u>1,000</u>
Allocated as follows:		
Capital account	<u>1,000</u>	<u>1,000</u>
Income account	<u>-</u>	<u>-</u>

Included within Limited Partners' capital is £1,748,274 (2019: £1,152,425) unrealised losses relating to impairment charges. Excluding impairment charges, Limited Partners' capital would stand at £7,510,784 (2019: £8,048,306).

## **FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**

### **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2020**

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#### **1. DESCRIPTION OF BUSINESS**

Future Inns, Bristol, Limited Partnership is a limited partnership formed under the Limited Partnership Act 1907, which runs a 149 room Future Inn with conference facilities and a restaurant and bar in Bristol, in the United Kingdom.

The address of the registered office is Hemingway Road, Cardiff, CF10 4AU.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of accounting**

These financial statements are prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, under the historical cost convention, in accordance with the Limited Partnerships accounting policies and the Partnership Agreement.

These financial statements reflect the operations of Future Inns, Bristol, Limited Partnership. They do not include all the assets, liabilities and earnings of the partners. No provision has been made in these financial statements for income taxes, which are the responsibility of each partner.

##### **Going concern**

The financial statements are prepared on a going concern basis.

Due to COVID 19 there remains considerable uncertainty over when revenues will return to a pre-pandemic level due to ongoing government restrictions impacting occupancy, the duration of government support measures and how quickly the economy will return to normal once the impact of coronavirus abates.

The general partner has reviewed rolling budgets which consider the impact these restrictions may have on future cash flows and has concluded that the combination of these circumstances represents a material uncertainty that may cast significant doubt upon the Limited Partnership’s ability to continue as a going concern. As such it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the uncertainties, the general partner has a reasonable expectation that the Limited Partnership has adequate resources, or will be able to obtain adequate resources, to continue in operational existence for the foreseeable future, which is at least 12 months from the date of approval of these financial statements. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Revenue recognition**

The revenue shown in the Statement of Comprehensive Income represents amounts for goods sold and services provided during the period, exclusive of Value Added Tax.

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**YEAR ENDED 31 DECEMBER 2020**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

**Property, plant and equipment and depreciation**

Property, plant and equipment is stated at cost, net of depreciation and impairment charges.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset at the following annual rates:

Plant & Machinery	-	6.6% straight line
Furniture, Fixtures & Equipment	-	12.5% straight line

Long Leasehold Land is not depreciated.

No depreciation is provided on Capital Building & Improvements. It is the Limited Partnership's practice to maintain these assets in a continual state of sound repair. Accordingly the lives of these assets are so long, and residual values are so high, that their depreciation is insignificant. Moreover, costs incurred on repair and refurbishment programmes are written off to the Statement of Comprehensive Income as incurred.

Property, plant and equipment is reviewed annually for indicators of impairment and where any such indicators are identified, a full impairment review is undertaken and a provision for impairment is recognised in the financial statements where required. Similarly, where an indicator that an impairment loss recognised in prior periods may no longer exist or may have decreased is identified, a reversal of past impairments is recognised based on the recoverable amount of the cash generating unit.

The interest cost of debt attributable to the construction of the hotel was capitalised during the construction period.

**Inventories**

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

**Leases**

Where the partnership enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the statement of financial position as property, plant and equipment and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors.

All other leases are classified as operating with rentals payable under operating lease arrangements charged to the statement of comprehensive income on a straight-line basis over the term of the lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

**Financial instruments**

Financial assets and financial liabilities are recognised in the statement of financial position when the partnership becomes a party to the contractual provisions of the instrument.

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**YEAR ENDED 31 DECEMBER 2020**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

**Financial instruments *(continued)***

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

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and short-term bank deposits with an original maturity of three months or less.

Financial liabilities issued by the partnership are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability.

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

**3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

**Judgements**

**Financial instruments classification**

The classification of financial instruments as “basic” or “other” requires judgement as to whether all the applicable conditions for classification are met. This includes consideration of the form of the instrument and its return.

**Key sources of estimation uncertainty**

**Property, plant and equipment**

The property, plant and equipment used within the Limited Partnership have estimated useful lives between 8 and 15 years, with the exception of Long Leasehold Land and Capital building and improvements which are not depreciated as detailed in the property, plant and equipment accounting policy. Overall net book value as at year-end is £16,470,000 (2019: £17,289,987).

The depreciation charge is sensitive to the lives allocated to asset. Asset lives and residual values are reviewed regularly, and the residual useful lives amended where necessary in light of technological change, prospective economic utilisation, and the physical condition of the assets. The total charge for the year was £214,804 (2019: £210,470).

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2020****3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS (continued)****Impairment of assets**

Property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount of an asset or cash-generating unit is determined based on value-in-use calculations incorporating assumptions and estimates of discounted future cash flows. Similarly, where an indicator that an impairment loss recognised in prior periods may no longer exist or may have decreased is identified, a reversal of past impairment is recognised based on the recoverable amount of the cash generating unit. Indicators for the year suggest that based on value in use calculated no impairment is required.

**4. MANAGEMENT AND FRANCHISE FEES**

In accordance with the License and Management agreement for the operation of the hotel management and franchise fees of £136,935 (2019: £300,382) were due to the General Partner for the year ended 31 December 2020.

**5. PROPERTY, PLANT AND EQUIPMENT**

	Long Leasehold Land £	Capital Building & Improvements £	Plant & Machinery £	Furniture, Fixtures & Equipment £	Total £
<b>COST</b>					
At 1 January 2020	2,760,000	14,551,984	3,053,833	951,627	21,317,444
Additions	-	-	666	-	666
At 31 December 2020	<u>2,760,000</u>	<u>14,551,984</u>	<u>3,054,499</u>	<u>951,627</u>	<u>21,318,110</u>
<b>DEPRECIATION</b>					
At 1 January 2019	183,800	968,625	2,014,959	860,073	4,027,457
Charge for the period	-	-	201,571	13,233	214,804
Impairment	96,588	509,261	-	-	605,849
At 31 December 2019	<u>280,388</u>	<u>1,477,886</u>	<u>2,216,530</u>	<u>873,307</u>	<u>4,848,110</u>
<b>NET BOOK VALUE</b>					
At 31 December 2020	<u>2,479,612</u>	<u>13,074,098</u>	<u>837,969</u>	<u>78,321</u>	<u>16,470,000</u>
At 31 December 2019	<u>2,576,200</u>	<u>13,583,359</u>	<u>1,038,874</u>	<u>91,554</u>	<u>17,289,987</u>

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2020**

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**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

The cost of Capital Building & Improvements includes £298,207 (2019: £298,207) of capitalised interest cost during construction.

The net book value of assets held under finance lease arrangements, included above, is £32,447 (2019: £82,024). The depreciation charged to the statement of comprehensive income in respect of these items is £2,483 (2019: £6,515).

The General Partner identified that impairment indicators existed and accordingly calculated the value in use. The value in use was calculated based on future cash flow projections over a ten year period at a discount rate of 9% and applying varying growth rates. The cashflows after year 10 have been calculated based on an exit yield of 7%. An independent valuer assisted the General Partner in determining appropriate assumptions to use in the value in use calculation. The value in use exceeded the book value and hence no impairment charge was processed.

**6. OTHER INCOME**

Other income represents amounts receivable under the job retention scheme.

**7. BANK LOAN**

Creditors include finance capital, which is due for repayment as follows:

	31 Dec 20 £	31 Dec 19 £
Indebtedness:		
Capital loan	9,200,000	9,200,000
Mezzanine finance	400,000	400,000
CBILS loan	750,000	-
	<u>10,350,000</u>	<u>9,600,000</u>
Net of, unamortised portion of:		
Deferred finance fees	(144,901)	(181,720)
Gain on below market rate loan	(13,744)	-
	<u>10,191,355</u>	<u>9,418,280</u>
	31 Dec 20 £	31 Dec 19 £
Amounts repayable:		
In one year or less or on demand	9,478,855	-
In more than one year but not more than two years	150,000	345,433
In more than two years but not more than five years	450,000	9,072,847
In more than five years	112,500	-
	<u>10,191,355</u>	<u>9,418,280</u>

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**YEAR ENDED 31 DECEMBER 2020**

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**7. BANK LOAN *(continued)***

The Group indebtedness includes financial covenants. As a result of the UK government's public health measures in place to address the COVID-19 public health emergency, during the year the partnership experienced a reduction in earnings and the breach of certain financial covenants contained in its banking arrangements.

The lender has agreed to waive the breach of such financial covenants through to 31st March 2021. Notwithstanding this waiver (which does not cover a full year) in accordance with the requirements of FRS 102 the related outstanding debt has been presented as being due within one year.

The formal terms attached to the debt are as follows:

	31 Dec 20 £	31 Dec 19 £
Amounts repayable:		
In one year or less or on demand	833,242	-
In more than one year but not more than two years	570,401	345,433
In more than two years but not more than five years	8,675,212	9,072,847
In more than five years	112,500	-
	<u>10,191,355</u>	<u>9,418,280</u>

A composite guarantee is held between Future Inns, Bristol, Limited Partnership, Future Inns, Plymouth, Limited Partnership, Future Inns, Cardiff, Limited Partnership, Future Inns, Bristol GP, Limited, Future Inns, Bristol Nominee, Limited, Future Inns, UK, Limited, Future Inns Nominees Limited, Future Inns, Plymouth GP, Limited and Future Inns, Plymouth Nominee, Limited in favour of Coutts Bank Plc. Group indebtedness as at 31 December 2020 totalled £22,750,000. Interest is charged at 2.6% plus LIBOR per annum and the loan term ends 29 November 2024.

Included in the debt above is £400,000 in the form of mezzanine finance. This is secured by way of a second legal charge on the assets of the business. The mezzanine finance bears interest at base rate plus 7.5%, and the balance is repayable with six months' notice from the debt holders, and as such is disclosed as payable within one year.

During the year, the partnership entered into a CBILS loan arrangement with Coutts Bank Plc, for a value of £750,000. This loan is interest and repayment free for the first year, after which quarterly repayments will be made to repay the balance over 5 years, and interest will be charged at 3.6%

Coutts Bank Plc holds a mortgage debenture dated 29 November 2019 in the Bank's standard form over the leasehold property.

## **FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**

### **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

#### **YEAR ENDED 31 DECEMBER 2020**

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#### **8. RELATED PARTY TRANSACTIONS**

The General Partner is Future Inns, UK, Limited. Future Inns, UK, Limited has delegated management responsibilities to Future Inns, GP, Limited Partnership.

During the year shared expenses incurred by Future Inns, Cardiff, Limited Partnership and Future Inns, Plymouth, Limited Partnership, were recharged to the partnership. The recharged totalled £59,426 (2019: £81,875) for Future Inns, Cardiff, Limited Partnership and £875 (2019: £6,811) for Future Inns, Plymouth, Limited Partnership. The amount outstanding at the year end was £3,654 (2019: £6,386) owed to Future Inns, Cardiff, Limited Partnership and £nil (2019: £nil) owed to Future Inns, Plymouth, Limited Partnership.

During the year shared expenses were incurred by the Limited Partnership on behalf of Future Inns, Plymouth, Limited Partnership and subsequently recharged amounting to £nil (2019: £1,009), of which £nil (2019: £nil) was outstanding at year end. During the year shared expenses were incurred by the Limited Partnership on behalf of Future Inns, Cardiff, Limited Partnership and subsequently recharged amounting to £nil (2019: £233), of which £nil (2019: £nil) was outstanding at year end.

During the year shared expenses were incurred by Future Inns, UK, Limited on behalf of the Limited Partnership totalling £143,102 (2019: £156,836). At the year end an amount of £13,153 (2019: £18,521) was owed to Future Inns, UK, Limited in respect of this.

In accordance with the partnership agreement, management and franchise fees of £136,935 (2019: £300,382) are payable during the year to Future Inns, Bristol GP, Limited. At the year end an amount of £4,900 (2019: £25,171) was owed to Future Inns, Bristol GP, Limited in relation to management and franchise fees.

During the prior year Future Inns, Bristol General Partner, Limited Partnership gave a loan of £400,000 to Future Inns, Bristol, Limited Partnership. At the year end a balance of £400,000 (2019: £400,000) was owed to Future Inns, Bristol General Partnership, Limited Partnership.

At 31 December 2020, the partnership owed £2,200 in relation to partnership expenses (2019: £1,600) to Del Brett, a partner within the General Partner entity.

Cash distributions of £60,000 (2019 - £nil) were paid in the year to the Limited Partners relative to their capital investment in Future Inns, Bristol, Limited Partnership. Included in this amount is £2,983 (2019: £nil) paid to Future Inns, UK Limited, £500 (2019: £nil) paid to D Brett. Also included in this amount is £14,500 (2019: £nil) paid to MBFIB Limited and £1,500 (2019: £nil) paid to 3068882 Nova Scotia Limited, companies wholly owned by Marilyn Brett, a partner within the General Partner entity.

During the prior year Future Inns, Bristol, Limited Partnership assumed a loan of £525,681 from Future Inns, Cardiff, Limited Partnership which is owed to S&L Investments, a company controlled by Marilyn Brett, a partner within the General Partner entity. At the year end a balance of £525,681 (2019: £525,681) was owed to S&L Investments.

The General Partner does not consider there to be an ultimate controlling party of the partnership.



**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2020**

**9. OPERATING LEASE COMMITMENTS**

At 31 December 2020, commitments for future minimum lease payments under non-cancellable operating leases fall due as follows:

	31 Dec 20	31 Dec 19
	£	£
Expiry date:		
< 1 year	34,061	34,061
2-5 years	22,708	56,769
	<u>56,769</u>	<u>90,830</u>

**10. GENERAL PARTNER'S REMUNERATION**

Net loans and other debts due to the General Partner

	£
<b>At 1 January 2019</b>	948,545
General Partner's remuneration	300,382
General Partner's share of total comprehensive income	-
Drawings	(698,075)
<b>At 31 December 2019</b>	550,852
General Partner's remuneration	136,935
General Partner's share of total comprehensive income	-
Drawings	(682,887)
<b>At 31 December 2020</b>	<u>4,900</u>

**11. PARTNERS' CAPITAL AND SHARING OF INCOME**

The interest of the limited partners in the partnership is divided into 8,000,000 units issued for £1 each. The total number of units issued will not exceed 8,000,000 as per the terms of the Partnership Agreement.

The general partner is due to contribute £1,000 to the capital of the partnership.

The income and losses are allocated to the limited partners under the terms of the limited partnership agreement and are reduced by cash distributions. To the extent that net gains for the financial year, if any, on the sale of a capital asset do not exceed net income, the net gains are allocated 60% to the limited partners and 40% to the general partner. The net income, less any net gains, are allocated, to the extent available, firstly to allocate an amount equal to a rate of return of 12% per annum of the balance credited to the limited partners' invested capital account with any remainder being allocated 60% to the limited partners and 40% to the general partner.

**FUTURE INNS, BRISTOL, LIMITED PARTNERSHIP****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2020****11. PARTNERS' CAPITAL AND SHARING OF INCOME (continued)**

A net loss in any financial year is allocated to the limited partners unless the net loss exceeds the amount which the limited partners are entitled under applicable law to deduct in a financial year as a consequence of a loss incurred by the partnership in that year, whereby the excess loss is allocated to the general partner. Movements in partners' capital accounts during the year are shown on page 16.

Cash distributions of £371,875 have been made to Limited Partners in previous years, and £60,000 in the current year, despite the income account being in debit. Per the Limited Partnership Act 1907, Limited Partners will be liable for the amount of such distributions if the partnership cannot meet its liabilities, until such profits are made to replace the distributions.

**12. ANALYSIS OF NET DEBT**

	<b>At 1 January 2020</b>	<b>Cash flows</b>	<b>Non cash movements</b>	<b>At 31 December 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Total cash and cash equivalents	500,972	157,436	-	658,408
Bank borrowings due within one year	-	-	(9,478,855)	(9,478,855)
Bank borrowings due in more than one year	(9,418,280)	(750,000)	9,455,780	(712,500)
Finance lease liability due within one year	(19,358)	19,358	(13,216)	(13,216)
Finance lease liability due in more than one year	(15,570)	-	13,216	(2,354)
Total borrowings	(9,453,208)	(730,642)	(23,075)	(10,206,925)
<b>Net debt</b>	<b>(8,952,236)</b>	<b>(573,206)</b>	<b>(23,075)</b>	<b>(9,548,517)</b>