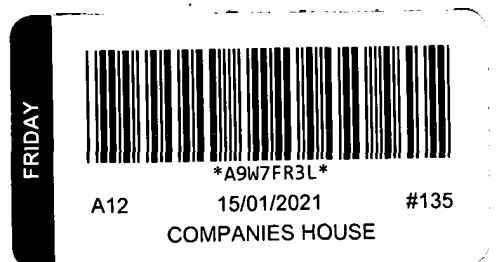


Apis Limited

**Strategic report, Directors' report and
financial statements**

Registered number 07395287

52-week period ended 2 February 2020



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Strategic Report

Principal activity and business review

Apis Limited is an intermediate holding company, whose parent company is Ingleby (1952) Limited, and whose ultimate subsidiary is Amber Taverns Limited. The principal activity of Amber Taverns Limited is that of public house management.

A detailed review of the trading activities of the Group, headed by Kildale Topco Limited, can be seen in the accounts of Amber Taverns Limited.

Apis is a dormant company.

Key performance indicators

The directors do not consider there to be any KPIs relevant to the company given it is an intermediate holding company.

As a holding company the company's performance and KPIs are linked to the underlying performance of the trading entity. The Directors therefore consider turnover, EBITDA (earnings before interest, tax, depreciation and amortisation) and operating profit of the trading entity to be key performance indicators for the company. Analysis of these KPIs are considered in the Strategic Report of the trading Company, Amber Taverns Limited.

Principal risks and uncertainties

Economic environment risk

Following the year ending 2nd February 2020 trade of the trading subsidiary has been severely impacted by the coronavirus pandemic which closed the entire estate on 20th March 2020. All pubs remained closed until 4/7/20 a total of 15 weeks and there was a gradual opening of the estate through July with the full estate open by 3/8/20. In line with many other sectors, hospitality has been particularly affected by compliance rules and restrictions to our normal trading ability post lockdown.

Since re-opening there has been some positives from the Eat Out to Help Out Scheme, despite being a wet-led only business this boosted consumer confidence and associated footfall throughout the month of August and whilst sales were not at pre-Covid levels they were tracking at 75-80% like for like on the previous year. The VAT cut on food to 5% until March 2021 has had a small positive impact but it is only available to us on soft drinks and snacks.

The board has taken comfort that despite the challenges of Covid restrictions, hand sanitising, 1m + rules, face masks, limitation on entertainment, requirement for all customers to be seated, table service only and track and trace data capture that our customers have had confidence to return to the pubs and have generally been compliant with the numerous changes we have introduced, commenting that they felt safe whilst using the pub facilities; our insurers have also reviewed our protocols in June during the renewal process.

The operations team has been busy ensuring good levels of screens and signage were installed prior to the pubs re-opening, all staff were given additional Covid training and we have used social media to promote the need for face coverings and track and trace even incentivising customers to sign up for the relevant APPs. Several local authorities have commended sites for their implementation of these rules and regulations and used them as a positive example throughout their town.

To assist with the impact of table service we partnered with ROUND a drink ordering APP and this is being steadily rolled out throughout the estate.

The economic environment is extremely volatile, with further restrictions being imposed on the hospitality sector and the rise in Covid infections the virus is still having a huge impact on consumer confidence, and there are no signs of this being allayed in the short term.

The economic environment remains extremely uncertain, general furlough is ending, redundancies are increasing, and the government are not inspiring confidence through their mixed messaging and apparent lack of a plan. All these factors are conspiring to damage consumer sentiment.

Regulatory risk

Never has the hospitality sector been so hugely impacted by regulation. From the mandatory closure in March 2020 to the re-opening requirements of social distancing at 2m, then 1m plus mitigation the guidance and rules have been revised and changed on numerous occasions. The devolved nations are each taking a different approach to regulation and whilst some rules are introduced on an advisory basis, others have been mandated by law. The messaging from governments throughout the United Kingdom has been mixed, conflicting and confusing. With the help of UK Hospitality, we have navigated our way through these changes and communicated with each pub relevant changes in its locality. From full lockdowns as seen in Bolton, further restrictions as introduced in Lancashire and the North East we have maintained a tight control on

operating hours and local restrictions, be it the rule of 6, single households only, curfewed trading hours and we have ensured that at all times the safety of the staff, customers and security of the business for all stakeholders is paramount.

Due to the current volatile environment we are trading in future risks are of a return to full lockdown, more draconian curfew restrictions, the end of the furlough scheme and job support schemes and the return to the 20% vat rate on soft drinks and snacks.

Financial risk management objectives and policies

During the pandemic the group's cash reserves have been impacted considerably. Due to the nature of its revolving capex facility at the outset of the pandemic we were able to draw the full facility as the conditions for drawdown had previously been met. This enabled us to operate with a good cash buffer throughout the closure period.

The unwinding of trade creditors used c£4.5m of cash reserves. 80% of the company's workforce were put on furlough for the duration of the lockdown period, April to June. The pub operating companies were paid a weekly custodian fee to maintain the pubs in good order and protect the assets during closure. Many rose to the challenge finding innovative ways to fill their time and enhance the pub facilities ready for re-opening. The operators are at the heart of each pub and were key to a successful return to full trading. Due to the nature of the national lockdown many key cost lines were suspended by our suppliers. Non-domestic rates in the hospitality sector were cancelled for the year ending 31 March 2021 and grants were made available relative to the rateable value on the premises. The full cash cost of the closure period excluding re-opening costs was £8m.

Future developments

All current expansion plans are on hold. Prior to the lockdown the company had exchanged on four new sites, these sites are contractually required to complete. The refurbishment and opening of these sites are suspended until there is clarity on future trading levels and clear indications that restrictions imposed due to the pandemic have been fully lifted.

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As a Board, we are committed to long term sustainable growth, taking into account all stakeholders, and we underpin this with a collegiate approach and high standards of corporate governance.

Our Customers

Our business model is predicated on providing consistent value and quality, and our customers have regular contact with the operators of our pubs, thus ensuring regular feedback. We believe we are at the heart of the local communities we operate in.

Our Colleagues

Our small team and flat structure ensure regular and open dialogue between all colleagues, both formally and informally, in addition there are regular briefings, face to face meetings and a weekly newsletter, FYI.

Our suppliers

Our long-term relationships with our key suppliers demonstrate the success of our collaborative and transparent approach. There is regular communication, payment terms are respected, and any issues dealt with promptly in a proportionate and reasonable manner.

Our Shareholders

Key shareholders attend monthly Board Meetings and shareholders are communicated with via a formal report on a twice-yearly basis.

Our Communities and Society

We see each of our pubs as a local community asset and work closely with all stakeholders to ensure we create a valued and responsible business. Many of our operating protocols are held up as exemplars by statutory authorities.

By order of the board


J L Jones
Director

16 November 2020

Directors' Report

The directors present their report and the financial statements for the 52-week period ended 2 February 2020.

Results and dividends

The profit for the period, after taxation, amounted to £nil (2019: £nil).

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the period were as follows:

J E Baer
M D George
M J Goddard
J L Jones
G E Roberts

Going concern

The company reported a profit of £0 for the 52-week period ended 2 February 2020 and as at 2 February 2020 has net assets of £3,787,579 and net current assets of £675,079. Subsequent to the year end the COVID-19 pandemic has had a significant effect on the subsidiary's operations including the enforced closure of pubs nationally until 4 July 2020, the introduction of the 10pm curfew on 24 September, a second national lockdown and further local actions.

Apis Limited is the intermediate parent of Amber Taverns Limited, and as a holding company this investment in Amber Taverns Limited is the company's sole trading investment. Therefore, the directors consider that because of the material uncertainty in respect of Amber Taverns Limited and the Group headed by Kildale Topco Limited of which the company is a member ("the Group"), due to details set out below, this also represents a material uncertainty in respect of going concern for the company.

The directors have carried out a thorough review of the Group's activities and have projected the Group's performance forward on a variety of scenarios. These scenarios take into account the effect of government policy, the uncertain nature of the COVID-19 pandemic, the nature of facilities present and financial support available to the business, together with the performance of the business following the year end and following the reopening of pubs in July 2020.

Due to the impact of the pandemic and the closure of the business for 15 weeks, the Group approached its lenders HSBC who provide the senior and revolving capex facilities and Ares who provide second lien and PIK facilities in order to revise the covenant tests to avert any breach of the facilities. Covenants presently based on EBITDA for the previous 12 months and measured quarterly are interest cover, leverage and debt servicing.

Detailed modelling to demonstrate the impact on covenants from a temporary closure were produced, given the reduced trading capacity and cash management for the 15-week closure period to the end of July 2020. As a result, certain covenants were amended from April 2020, alongside the deferral of two quarters amortisation on the senior debt of £1m in total, payment of 50% of the second lien interest and capitalisation of the £456k balance onto the existing loan facility. These amended covenants tests were comfortably met.

A further reset has been replicated in October 2020. However, with the ongoing uncertainty within the sector and indeed wider economy the lenders have indicated their continued support and that they will revisit the future quarters in February 2021 when there should be more clarity over the required amendments. At the balance sheet date, the bank has not agreed a waiver or amendment of these covenants and therefore there is a material uncertainty as to whether the loan could be recalled in the event that the bank did not agree to waive or amend these future covenants.

Further support to the business has been made available via an equity injection of £3m from the existing shareholders. MXP, the Group's ultimate shareholder, has confirmed to the Group that the injection will take place by 30th November 2020 and that further support would be available if required. Kildale Topco Limited has confirmed its support to the company.

Based on the sensitised forecasts completed by management, the support exhibited by lenders and equity injection being provided by shareholders, the directors consider the trading subsidiary will be able to meet its liabilities as they fall due for the foreseeable future, subject to the uncertainty noted above, and therefore continue to adopt the going concern assumption in preparing the financial statements. Due to this, the directors consider that it is appropriate that the Company adopt the going concern assumption in preparing the financial statements, subject to the uncertainty within the trading subsidiary.

Qualifying third party indemnity provisions

The directors benefited from qualifying indemnity insurance provisions in place during the financial period.

Disclosure of information to auditor

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

Strategic Report

The information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and reports) regulations 2008 has been included in the separate Strategic Report in accordance with Section 414C (11) of the Companies Act 2006 (strategic Report and Directors' Report) Regulations 2013).

Modern Slavery Act 2015

In accordance with the requirements of the Modern Slavery Act, the board has reviewed and approved its compliance statement, this can be viewed on the company website www.ambertaverns.co.uk

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

By order of the board



J L Jones
Director

The Victory Offices
112 Victory Road
Blackpool
Lancashire
FY1 3NW

16 November 2020

Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APIS LIMITED

Opinion

We have audited the financial statements of Apis Limited ('the company') for the year ended 2 February 2020 which comprise Statement of Profit & loss account, Other comprehensive income, Balance sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 February 2020 and of the company's result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to the section titled "Going Concern" within note 1 to the financial statements, which indicates that the company reported a profit of £0 for the 52-week period ended 2 February 2020 and as at 2 February 2020 has net assets of £3,787,579 and net current assets of £675,079. As stated in note 1, the company has been significantly impacted by the COVID-19 pandemic. These conditions, along with other matters set out in note 1, 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

125m UK Audit LLP

Jonathan Lowe (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP,
Statutory Auditor
Chartered Accountants
Bluebell House, Brian Johnson Way
Preston PR2 5PE

16 November 2020

Profit and Loss Account and Other Comprehensive Income
for the 52-week period ended 2 February 2020

	<i>Note</i>	2020 £	2019 £
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
Operating profit	2	-	-
Interest receivable and similar income		-	-
Interest payable and similar charges		-	-
		<hr/>	<hr/>
Profit before taxation		-	-
Tax on profit		-	-
		<hr/>	<hr/>
Profit and total comprehensive income for the financial period		-	-
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 14 form part of the financial statements.

Balance Sheet
as at 2 February 2020

	<i>Note</i>	2020 £	2019 £
Fixed assets			
Investments	5	3,112,500	3,112,500
Current assets			
Debtors	6	675,079	675,079
		<hr/>	<hr/>
Net assets		3,787,579	3,787,579
		<hr/>	<hr/>
Capital and Reserves			
Called up share capital	7	2,401,579	2,401,579
Share premium account	8	1,386,000	1,386,000
		<hr/>	<hr/>
Shareholders' funds		3,787,579	3,787,579
		<hr/>	<hr/>

The notes on pages 11 to 14 form part of the financial statements.

These financial statements were approved by the board of directors on 16 November 2020 and were signed on its behalf by:


J L Jones
Director

Company registered number: 07395287

Statement of Changes in Equity

	Called up Share capital £	Share Premium account £	Profit and loss account £	Total equity £
Balance at 5 February 2018	2,401,579	1,386,000	-	3,787,579
<i>Total comprehensive income for the period</i>				
Profit or loss	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Balance at 3 February 2019	2,401,579	1,386,000	-	3,787,579

	Called up Share capital £	Share Premium account £	Profit and loss account £	Total equity £
Balance at 4 February 2019	2,401,579	1,386,000	-	3,787,579
<i>Total comprehensive income for the period</i>				
Profit or loss	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Balance at 2 February 2020	2,401,579	1,386,000	-	3,787,579

The notes on pages 11 to 14 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

Apis Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Kildale Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Kildale Topco Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.
- The disclosures required by FRS102.11 *Basic Financial Instruments* and FRS102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule I.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

These financial statements have been prepared on a 52-week basis to the 2nd February 2020.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The company reported a profit of £0 for the 52-week period ended 2 February 2020 and as at 2 February 2020 has net assets of £3,787,579 and net current assets of £675,079. Subsequent to the year end the COVID-19 pandemic has had a significant effect on the company's operations including the enforced closure of pubs nationally until 4 July 2020, the introduction of the 10pm curfew on 24 September, a second national lockdown and further local actions.

Apis Limited is the intermediate parent of Amber Taverns Limited, and as a holding company this investment in Amber Taverns Limited is the company's sole trading investment. Therefore, the directors consider that because of the material uncertainty in respect of Amber Taverns Limited and the Group headed by Kildale Topco Limited of which the company is a member ("the Group"), due to details set out below, this also represents a material uncertainty in respect of going concern for the company.

The directors have carried out a thorough review of the Group's activities and have projected the Group's performance forward on a variety of scenarios. These scenarios take into account the effect of government policy, the uncertain nature of the COVID-19 pandemic, the nature of facilities present and financial support available to the business, together with the performance of the business following the year end and following the reopening of pubs in July 2020.

Due to the impact of the pandemic and the closure of the business for 15 weeks, the Group approached its lenders HSBC who provide the senior and revolving capex facilities and Ares who provide second lien and PIK facilities in order to revise the covenant tests to avert any breach of the facilities. Covenants presently based on EBITDA for the previous 12 months and measured quarterly are interest cover, leverage and debt servicing.

Detailed modelling to demonstrate the impact on covenants from a temporary closure were produced, given the reduced trading capacity and cash management for the 15-week closure period to the end of July 2020. As a result, certain covenants were amended from April 2020, alongside the deferral of two quarters amortisation on the senior debt of £1m in total, payment of 50% of the second lien interest and capitalisation of the £456k balance onto the existing loan facility. These amended covenants tests were comfortably met.

A further reset has been replicated in October 2020. However, with the ongoing uncertainty within the sector and indeed wider economy the lenders have indicated their continued support and that they will revisit the future quarters in February 2021 when there should be more clarity over the required amendments. At the balance sheet date, the bank has not agreed a waiver or amendment of these covenants and therefore there is a material uncertainty as to whether the loan could be recalled in the event that the bank did not agree to waive or amend these future covenants

Further support to the business has been made available via an equity injection of £3m from the existing shareholders. MXP, the Group's ultimate shareholder, has confirmed to the Group that the injection will take place by 30th November 2020 and that further support would be available if required. Kildale Topco Limited has confirmed its support to the company.

Based on the sensitised forecasts completed by management, the support exhibited by lenders and equity injection being provided by shareholders, the directors consider the trading subsidiary will be able to meet its liabilities as they fall due for the foreseeable future, subject to the uncertainty noted above, and therefore continue to adopt the going concern assumption in preparing the financial statements. Due to this, the directors consider that it is appropriate that the Company adopt the going concern assumption in preparing the financial statements, subject to the uncertainty within the trading subsidiary.

Basic financial instruments

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not consider that there are any significant judgements and key sources of estimation uncertainty.

Notes (continued)

2 Expenses and auditor's remuneration

	2020 £	2019 £
Audit of these financial statements	500	500
Amounts receivable by the Company's auditor and its associates in respect of:		
- Taxation compliance services	500	500
	<u>500</u>	<u>500</u>

The audit fees for 2020 and 2019 has been borne by Amber Taverns Limited, another group company.

3 Staff numbers and costs

Other than the directors, there are no individuals employed by Apis Limited.

4 Directors' remuneration

The directors received no remuneration for services provided to the company, as they were remunerated through Amber Taverns Limited, a related company, and no allocation of their fees is made to the Company as their services to this Company are considered to be negligible.

5 Fixed asset investments

	Investments in subsidiary companies £
<i>Cost and net book value</i>	
At 2 February 2020 and 3 February 2019	<u>3,112,500</u>

Subsidiary undertakings

The Company has the following investments in subsidiaries:

	Country of Incorporation £	Principal Activity £	Class of shares held	Ownership 2020 %	Ownership 2019 %	Indirect Company Owned By
Melli Limited	United Kingdom	Intermediate Holding Company	Ordinary	100*	100*	Apis Limited
Amber Taverns Limited	United Kingdom	Public House Management	Ordinary	100	100	Melli Limited

* Indirect holding

6 Debtors

	2020 £	2019 £
Amounts owed by group undertakings	<u>675,079</u>	<u>675,079</u>

Notes (continued)

7 Capital and reserves

	2020 £	2019 £
Allotted, called up and fully paid		
675,079 – Ordinary shares of £1 each	675,079	675,079
1,712,500 – A Ordinary shares of £1 each	1,712,500	1,712,500
1,400,000 – B Ordinary shares of £0.01 each	14,000	14,000
	<hr/> 2,401,579	<hr/> 2,401,579
	<hr/>	<hr/>

8 Share Premium Account

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

9 Related parties

Advantage has been taken of the exemption given within FRS 102 Section 33 "Related Party Transactions" to wholly owned subsidiaries, not to disclose related party transactions with members of the group.

There is a composite Unlimited Multilateral Guarantee given by Kildale Parentco Limited, Kildale Bidco Limited, Ingleby (1951) Limited, Ingleby (1952) Limited, Apis Limited, Melli Limited, Amber Taverns Limited. There is a fixed charge over all present freehold and leasehold property, a first fixed charge over book and other debtors and a first floating charge over all assets and undertaking both present and future dated 27 October 2017.

10 Post balance sheet events

Subsequent to the year end, the COVID-19 pandemic has impacted the operations of the Group significantly. This is considered to be a non-adjusting post balance sheet event. The directors have considered the ongoing impact of the COVID-19 pandemic and relevant disclosure has been made within the strategic report and going concern accounting policy. The directors have also considered the impact to the property market which has resulted in a diminution of value in the tangible fixed assets, however this is not a material impact.

11 Ultimate parent undertaking and controlling party

The ultimate parent company is Kildale Topco Limited, which is the largest group in which the Company is a member and for which Group Financial Statements are drawn up. Kildale Topco Limited is registered in England. Copies of the consolidated financial statements of Kildale Topco Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is MxP Partners LLP who own 66.9% shareholder of Kildale Topco (2019: MxP Partners LLP).