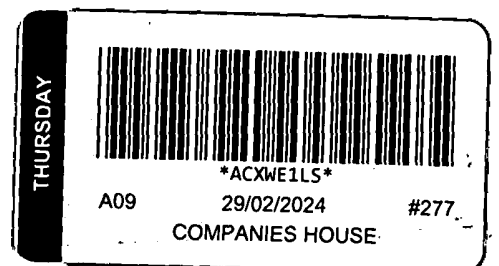


Registered number: 07420758

Admiral Taverns Piccadilly Limited

Annual Report and Financial Statements

For the Period Ended 28 May 2023



Admiral Taverns Piccadilly Limited

Company Information

Directors	A Clifford C Jowsey N Gray
Company secretary	A G Secretarial Limited
Registered number	07420758
Registered office	Milton Gate 60 Chiswell Street London EC1Y 4AG
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU
Solicitors	Addleshaw Goddard Milton Gate 60 Chiswell Street London EC1Y 4AG

Admiral Taverns Piccadilly Limited

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Admiral Taverns Piccadilly Limited

Strategic Report For the Period Ended 28 May 2023

Business review

Admiral Taverns Piccadilly Limited is a subsidiary and the second largest trading company of the Admiral Group. The immediate parent undertaking is Admiral Taverns Bidco Limited, a company incorporated in the United Kingdom. The Company's ultimate parent undertaking and controlling party is PSSF Brady (Cayman) Limited, an entity incorporated in the Cayman Islands.

During the period ended 28 May 2023 the Company generated turnover of £33.2m (2022 - £33.2m), an operating profit of £1.7m (2022 - profit £1.6m) and underlying operating profit (excluding exceptional items) of £6.4m (2022 - profit £7.5m). The pub count at the end of the period was 369 (2022 - 391), with the disposal of 22 pubs in the period. The average number of pubs during the period was 379 (2022 - 403). Underlying operating profit per pub was £16.9k (2022 - profit £18.6k).

Key performance indicators and principal risks and uncertainties

A comprehensive review of the state of affairs of the Group into which the Company is consolidated, including key performance indicators and key risks and uncertainties is contained in the report and financial statements of PSSF Brady Holdco (UK) Limited,

This report was approved by the board on **27 February 2024** and signed on its behalf.



N Gray
Director

Admiral Taverns Piccadilly Limited

Directors' Report For the Period Ended 28 May 2023

The directors present their report and the financial statements for the period ended 28 May 2023.

Directors' responsibilities statement

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

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

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

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

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

Principal activity

The Company's principal activities are the sale of alcoholic beverages and the collection of rents from its estate of licensed premises ("pubs").

Results and dividends

The loss for the period, after taxation, amounted to £7,995,000 (2022 - loss £7,310,000).

The directors do not recommend a final dividend (2022 - £nil).

Directors

The directors who served during the period were:

A Clifford
C Jowsey
N Gray

Admiral Taverns Piccadilly Limited

Directors' Report (continued) For the Period Ended 28 May 2023

Disclosure of information to auditor

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

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

Going concern

The Company is a member of the Admiral Taverns group of companies (the Group). A full list of the Group can be found in the accounts of PSSF Brady Holdco (UK) Limited as referred to in note 25. The Company has a cross guarantee arrangement in relation to the Group's financing and therefore the Group position is relevant.

In assessing Going Concern the Directors have considered the limiting factors that may prevent them from supporting a going concern assumption for the Group. These are:

- insufficient cash resources to pay creditors as and when they become due; and
- an inability to meet certain financial covenants (the Leverage Test) in the Group's amended loan facilities agreement with ICG, which could lead to an event of default which would trigger a demand for repayment of the Facility.

Cash Resources

As of 16 February 2024, the Group had £19.7m of free cash having made a £25m voluntary partial prepayment of the ICG debt facility on 6th October 2023. The pub estates continue to trade well meeting management's expectations and generating cash. Pub disposals remain on track and Management have yet to see any impact on pub values as a result of the UK's Financial Crisis. The Group has hedged its own utility costs and over half its interest rate exposure under its debt facilities. The robust cash position is also supported by the large freehold asset base.

Leverage Test

The Leverage Test (a quarterly covenant test of the ratio of net debt to EBITDA over the preceding 12 month period) was reset in August 2021 as part of the extension of the existing facilities to fund the Hawthorn Acquisition. This included raised levels of covenant headroom and the addition of certain Pandemic Protection clauses, suspending the leverage test in the event of further large scale, Government mandated closures of pubs and replacing it with a minimum liquidity requirement or maintaining at least £5m of liquid cash resources during the impacted period.

Conclusion

The Directors have concluded that sufficient resources exist for the Group to meet its liabilities as they fall due for the twelve months from the date of approval of the accounts. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Admiral Taverns Piccadilly Limited

**Directors' Report (continued)
For the Period Ended 28 May 2023**

Auditor

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

This report was approved by the board on 27 February 2024 and signed on its behalf.



N Gray
Director

Independent Auditor's Report to the Members of Admiral Taverns Piccadilly Limited

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 May 2023 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Admiral Taverns Piccadilly Limited ("the Company") for the 52 week period ended 28 May 2023 which comprise Profit and Loss Account, Statement of 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

Independence

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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent Auditor's Report to the Members of Admiral Taverns Piccadilly Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report 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, 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;
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report

Responsibilities of Directors

As explained more fully in the Directors' Report, 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.

Independent Auditor's Report to the Members of Admiral Taverns Piccadilly Limited (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation and the Companies Act 2006.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
- Detecting and responding to the risks of fraud.
- Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be Management override of controls and Manual journal postings to revenue.

Independent Auditor's Report to the Members of Admiral Taverns Piccadilly Limited (continued)

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Testing a sample of journal entries posted to revenue for any unusual journals or unusual user postings;
- Assessing significant estimates made by management for bias by challenging the assumptions and judgements made by management in their significant accounting estimates and judgements including, impairment testing, measurement of provisions and going concern.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

DocuSigned by:

Mark RA Edwards

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Mark RA Edwards (Senior Statutory Auditor)

for and on behalf of

BDO LLP, (Statutory Auditor)

55 Baker Street

London

W1U 7EU

Date: 28 February 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Admiral Taverns Piccadilly Limited

Profit and Loss Account For the Period Ended 28 May 2023

		Period ended 28 May 2023 £000	Period ended 29 May 2022 £000
	Note		
Turnover	4	33,245	33,179
Cost of sales		(13,445)	(14,257)
Gross profit		19,800	18,922
Administrative expenses		(13,379)	(11,409)
Exceptional administrative expenses	12	(4,699)	(5,935)
Operating profit	5	1,722	1,578
Interest receivable and similar income	9	87	32
Interest payable and similar expenses	10	(10,301)	(9,956)
Loss before tax		(8,492)	(8,346)
Tax on loss	11	497	1,036
Loss for the financial period		(7,995)	(7,310)

The notes on pages 13 to 30 form part of these financial statements.

Admiral Taverns Piccadilly Limited

**Statement of Comprehensive Income
For the Period Ended 28 May 2023**

		Period ended 28 May 2023 £000	Period ended 29 May 2022 £000
	Note		
Loss for the financial period		(7,995)	(7,310)
Other comprehensive income			
Unrealised surplus on revaluation of tangible fixed assets	14	2,103	6,745
Other comprehensive income for the period/year		2,103	6,745
Total comprehensive loss for the period		<u>(5,892)</u>	<u>(565)</u>

The notes on pages 13 to 30 form part of these financial statements.

Admiral Taverns Piccadilly Limited
Registered number: 07420758

Balance Sheet
As at 28 May 2023

	Note	28 May 2023 £000	29 May 2022 £000
Fixed assets			
Intangible assets	13	7,898	8,901
Tangible assets	14	134,944	139,374
		<u>142,842</u>	<u>148,275</u>
Current assets			
Stocks		358	-
Debtors: amounts falling due after more than one year	16	7,299	7,062
Debtors: amounts falling due within one year	16	2,909	2,687
Cash at bank and in hand	17	88	-
		<u>10,654</u>	<u>9,749</u>
Creditors: amounts falling due within one year	18	(141,534)	(140,571)
Net current liabilities		<u>(130,880)</u>	<u>(130,822)</u>
Total assets less current liabilities		<u>11,962</u>	<u>17,453</u>
Provisions for liabilities			
Provisions	21	(1,169)	(768)
		<u>(1,169)</u>	<u>(768)</u>
Net assets		<u><u>10,793</u></u>	<u><u>16,685</u></u>
Capital and reserves			
Revaluation reserve		25,288	23,906
Profit and loss account		(14,495)	(7,221)
		<u>10,793</u>	<u>16,685</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 February 2024.


N Gray
 Director

The notes on pages 13 to 30 form part of these financial statements.

Admiral Taverns Piccadilly Limited

Statement of Changes in Equity For the Period Ended 28 May 2023

	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 29 May 2021	17,995	(745)	17,250
Comprehensive income for the year			
Loss for the year	-	(7,310)	(7,310)
Surplus/(deficit) on revaluation of property	6,745	-	6,745
Other comprehensive loss for the period	6,745	(7,310)	(565)
Transfer to/from profit and loss account	(834)	834	-
Total comprehensive income for the period	(834)	834	-
At 29 May 2022	23,906	(7,221)	16,685
Comprehensive loss for the period			
Loss for the period	-	(7,995)	(7,995)
Surplus/(deficit) on revaluation of property	2,103	-	2,103
Total comprehensive income for the period	2,103	(7,995)	(5,892)
Transfer to/from profit and loss account	(721)	721	-
At 28 May 2023	25,288	(14,495)	10,793

The notes on pages 13 to 30 form part of these financial statements.

**Notes to the Financial Statements
For the Period Ended 28 May 2023**

1. General information

Admiral Taverns Piccadilly Limited is a limited liability company incorporated in England. The Registered Office is Milton Gate, 60 Chiswell Street, London, EC1Y 4AG.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Going concern

The Company is a member of the Admiral Taverns group of companies (the Group). A full list of the Group can be found in the consolidated accounts of PSSF Brady Holdco (UK) Limited as referred to in note 25. The Company has a cross guarantee arrangement in relation to the Group's financing and therefore the Group position is relevant.

In assessing Going Concern the Directors have considered the limiting factors that may prevent them from supporting a going concern assumption for the Group. These are:

- insufficient cash resources to pay creditors as and when they become due; and
- an inability to meet certain financial covenants (the Leverage Test) in the Group's amended loan facilities agreement with ICG, which could lead to an event of default which could trigger a demand for repayment of the Facility.

Cash Resources

As of 16 February 2024, the Group had £19.7m of free cash having made a £25m voluntary partial prepayment of the ICG debt facility on 6th October 2023. The pub estates continue to trade well meeting management's expectations and generating cash. Pub disposals remain on track and Management have yet to see any impact on pub values as a result of the UK's Financial Crisis. The Group has hedged its own utility costs and over half its interest rate exposure under its debt facilities. The robust cash position is also supported by the large freehold asset base.

Leverage Test

The Leverage Test (a quarterly covenant test of the ratio of net debt to EBITDA over the preceding 12 month period) was reset in August 2021 as part of the extension of the existing facilities to fund the Hawthorn Acquisition. This included raised levels of covenant headroom and the addition of certain Pandemic Protection clauses, suspending the leverage test in the event of further large scale, Government mandated closures of pubs and replacing it with a minimum liquidity requirement or maintaining at least £5m of liquid cash resources during the impacted period.

Conclusion

The Directors have concluded that sufficient resources exist for the Group to meet its liabilities as they fall due for the twelve months from the date of approval of the accounts. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

**Notes to the Financial Statements
For the Period Ended 28 May 2023**

2. Accounting policies (continued)

2.3 Cash flow

The Company, being a qualifying entity which has been included in the Group's consolidated financial statements that are publicly available, is exempt from the requirement to draw up a cash flow statement under FRS102.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Operating leases: the Company as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

2.6 Operating leases: the Company as lessee

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

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

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

**Notes to the Financial Statements
For the Period Ended 28 May 2023**

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2.10 Exceptional and non-underlying items

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

Operating profit is stated after all expenses except for profit or loss on disposal of property, plant and equipment which is considered to be outside the operating cycle of the business.

2.11 Intangible fixed assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities.

Positive goodwill is amortised to the profit and loss account over its estimated economic life, which is deemed to be 20 years.

**Notes to the Financial Statements
For the Period Ended 28 May 2023**

2. Accounting policies (continued)

2.12 Tangible fixed assets

All fixed assets are initially recorded at cost or fair value if acquired through a business combination. Thereafter, property fixed assets are recorded at valuation, all other assets are recorded at depreciated cost. All assets are subject to depreciation and, in the event that indications of impairment exist, impairment review.

Property assets are revalued annually by the directors. Valuation movements arising as a result of the annual revaluation above depreciated historic cost are reflected through the Other Comprehensive Income, whereas valuation movements below depreciated historic cost are reflected through the Profit and Loss Account in arriving at operating profit.

The carrying value of properties held under lease agreements is derived after taking into account the cost of the head lease. In the event that the cost of the head lease exceeds the gross value of the leased asset, the corresponding net credit balance is recorded within provisions.

Expenditure on additions and improvements to the licensed estate is capitalised at cost as the expenditure is incurred. Such expenditure is then subject to depreciation over an expected average useful life of 7 years.

Short leasehold properties, being properties with 50 years or less of the lease remaining unexpired, are depreciated on a straight line basis over the unexpired term of the lease. Freehold land is not depreciated. Freehold buildings are only depreciated in the event that residual value at the end of their useful economic life is assessed as being materially below book value.

Fixtures, fittings and equipment which are to be retained by the Group are depreciated on a straight line basis over 3 years. Fixtures, fittings and equipment which the Group aims to sell to licensee are depreciated on a straight line basis over 4 years.

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. Where a property is earmarked for disposal at the balance sheet date, and the carrying value exceeds the anticipated net proceeds on disposal, a provision for the anticipated loss on disposal is recorded.

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

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.14 Debtors

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

**Notes to the Financial Statements
For the Period Ended 28 May 2023**

2. Accounting policies (continued)

2.15 Cash and cash equivalents

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

2.16 Creditors

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

2.17 Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

2.18 Dilapidations provision

The Company has made Dilapidations provision in anticipation of the cost of future repairs and renovations that will need to be made in line with the lease obligations.

2.19 Financial instruments

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and key sources of estimation uncertainty in the financial statements:

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 20.

Fixed assets

The valuation was prepared using the open market value on an existing use basis. Pubs on the market or with a deal progressing are valued at the appropriate sales price. Most other pubs are valued on an income multiple basis. Income multiples take into account the geographical location of the pub and the tenure. Further details are contained in note 14.

Admiral Taverns Piccadilly Limited

Notes to the Financial Statements For the Period Ended 28 May 2023

4. Turnover

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

	Period ended 28 May 2023 £000	Period ended 29 May 2022 £000
Alcoholic and non-alcoholic drink revenue	23,893	23,856
Rental income	6,260	6,180
Gaming and other income	2,172	3,143
Management fee	920	-
	<u>33,245</u>	<u>33,179</u>

All turnover arose within the United Kingdom.

5. Operating profit

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

		Period ended 28 May 2023 £000	Period ended 29 May 2022 £000
Depreciation of tangible fixed assets	14	3,812	2,947
Operating lease rentals - land and buildings		143	218
Exceptional and non-underlying items	12	4,699	5,935
Amortisation of intangible assets, including goodwill	13	1,003	866
		<u></u>	<u></u>

6. Auditor's remuneration

During the period, the Company obtained the following services from the Company's auditor and its associates:

	Period ended 28 May 2023 £000	Period ended 29 May 2022 £000
The auditing of accounts of associates of the Company	<u>58</u>	<u>38</u>

The total audit fee for the Admiral Taverns group of companies of £476,000 (2022 - £449,000) has been charged to and paid by Admiral Taverns (Chester) Limited and Hawthorn Leisure Management Limited, fellow group companies.

Admiral Taverns Piccadilly Limited

Notes to the Financial Statements For the Period Ended 28 May 2023

7. Employees

All staff are employed and remunerated by Admiral Taverns (Chester) Limited, a fellow group company.

8. Directors' remuneration

The directors were paid in respect of their services to the group as a whole by a fellow group company, Admiral Taverns (Chester) Limited, £1,508,000 (2022 - £1,142,000).

9. Interest receivable and similar income

	Period ended 28 May 2023 £000	Period ended 29 May 2022 £000
Other interest receivable	87	32
	<u>87</u>	<u>32</u>

10. Interest payable and similar expenses

	Period ended 28 May 2023 £000	Period ended 29 May 2022 £000
Interest payable to group undertakings	10,301	9,956
	<u>10,301</u>	<u>9,956</u>

**Notes to the Financial Statements
For the Period Ended 28 May 2023**

11. Taxation

	Period ended 28 May 2023 £000	Period ended 29 May 2022 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(497)	(1,066)
Changes to tax rates	-	30
Total deferred tax	(497)	(1,036)
Taxation on loss on ordinary activities	(497)	(1,036)

Factors affecting tax credit for the period

The tax assessed for the period/year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 20% (2022 - 19%). The differences are explained below:

	Period ended 28 May 2023 £000	Period ended 29 May 2022 £000
Loss on ordinary activities before tax	(8,492)	(8,347)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2022 - 19%)	(1,699)	(1,586)
Effects of:		
Expenses not deductible for tax purposes	1,038	1,321
Deferred tax prior period adjustment	(567)	434
Deferred tax rate change	14	(1,565)
Group relief	717	360
Total tax credit for the period	(497)	(1,036)

**Notes to the Financial Statements
For the Period Ended 28 May 2023**

11. Taxation (continued)

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK is currently 25% (2022 - 19%). Accordingly, the company's profits for this accounting period are taxed at an effective rate of 20% (2022 - 19%). The increase of the main rate of corporation tax from 19% to 25% from 1 April 2023 was announced in the Finance Bill 2021, which was substantively enacted on 24 May 2021.

Any future profits will be taxed at the appropriate rate. Deferred tax as at 28 May 2023 has been calculated at 25% (2022 - 19%); being the substantively enacted rate at which the deferred tax is expected to reverse.

12. Exceptional and non-underlying items

		Period ended 28 May 2023 £000	Period ended 29 May 2022 £000
Exceptional administrative expenses			
Movement in valuation reflected through profit and loss	14	3,562	6,166
Provision for onerous lease	21	300	(24)
(Profit)/loss on disposal of tangible fixed assets		462	(207)
Asbestos provision		375	-
		<u>4,699</u>	<u>5,935</u>

Property assets are revalued annually by the directors. Valuation movements below depreciated historic cost are reflected through the Profit and Loss Account. In the period this movement was a debit of £3,562,000 (2022 - debit £6,166,000).

Leased property assets that are considered onerous are revalued annually by the directors. Valuation movements are reflected through the Profit and Loss Account. In the current period this movement was a debit of £300,000.

The Company has reviewed its pub estate for Asbestos and has incurred £375,000 in respect of removal costs.

Admiral Taverns Piccadilly Limited

Notes to the Financial Statements For the Period Ended 28 May 2023

13. Intangible assets

	Goodwill £000
Cost	
At 30 May 2022	11,829
At 28 May 2023	<u>11,829</u>
Amortisation	
At 30 May 2022	2,928
Charge for the period	1,003
At 28 May 2023	<u>3,931</u>
Net book value	
At 28 May 2023	<u>7,898</u>
At 29 May 2022	<u>8,901</u>

Positive goodwill is amortised to the profit and loss account over its estimated economic life, which is deemed to be 20 years.

**Notes to the Financial Statements
For the Period Ended 28 May 2023**

14. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Short-term leasehold property £000	Fixtures, fittings and equipment £000	Total £000
Cost or valuation					
At 29 May 2022	130,435	5,873	1,679	2,280	140,267
Additions	6,205	507	509	611	7,832
Revaluation (deficit)/surplus to profit and loss	(4,518)	(198)	(142)	-	(4,858)
Disposals	(6,470)	(114)	-	(526)	(7,110)
Transfers between classes	9	-	89	-	98
Reclassified to held for sale	-	30	-	(9)	21
Revaluation (deficit)/surplus to reserves	430	(393)	(52)	-	(15)
At 28 May 2023	126,091	5,705	2,083	2,356	136,235
Depreciation					
At 29 May 2022	-	-	13	880	893
Charge for the period	2,997	229	175	411	3,812
Revaluation (surplus)/deficit to profit and loss	(1,101)	(66)	(129)	-	(1,296)
Revaluation (surplus)/deficit to reserves	(1,896)	(163)	(59)	-	(2,118)
At 28 May 2023	-	-	-	1,291	1,291
Net book value					
At 28 May 2023	126,091	5,705	2,083	1,065	134,944
At 29 May 2022	130,435	5,873	1,666	1,400	139,374

Notes to the Financial Statements
For the Period Ended 28 May 2023

14. Tangible fixed assets (continued)

The net book value of tangible fixed assets comprise:

	Freehold property £000	Long-term leasehold property £000	Short-term leasehold property £000	Fixtures & Fittings £000	Total £000
Public houses at valuation	126,091	5,705	2,083	-	133,879
Other assets at depreciated cost	-	-	-	1,065	1,065
	<u>126,091</u>	<u>5,705</u>	<u>2,083</u>	<u>1,065</u>	<u>134,944</u>

As at the year end the Group is trading the majority of its pub with results exceeding expectations. This has removed any material uncertainty over the near-term trading of the Group which had existed at the prior year end. Accordingly the Directors believe the multiples based approach continues to be the best valuation method.

The Directors considered the impact of sensitivities to the key assumption of Income Multiples as follows.

- A 5% reduction in the multiples used, reflecting a long term impairment to pub values due to the Pandemic, results in an £4.4m reduction in valuation.
- A 5% increase in the multiples used, reflecting a long term impairment to pub values due to the Pandemic, results in an £4.9m increase in valuation.

The historical cost at 28 May 2023 of the estate of public houses included at valuation is as follows:

	Freehold property £000	Long-term leasehold property £000	Short-term leasehold property £000	Total £000
Public houses	<u>101,961</u>	<u>4,654</u>	<u>1,976</u>	<u>108,591</u>

Admiral Taverns Piccadilly Limited

Notes to the Financial Statements For the Period Ended 28 May 2023

15. Investments

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share are as follows:

Name	Class of share	Principal activity
Pub Partnership Acquisitions Limited	Ordinary	Pub company

The aggregate of the share capital and reserves as at 28 May 2023 and of the profit or loss for the 52 week period ended on that date for the subsidiary undertaking is as follows:

Name	Aggregate of share capital and reserves £000	Profit £000
Pub Partnership Acquisitions Limited	2,267	2,065

The above entity is unlisted, 100% holdings and incorporated in the United Kingdom with registered address of Milton Gate 60 Chiswell Street, London, EC1Y 4AG.

16. Debtors

	28 May 2023 £000	29 May 2022 £000
Due after more than one year		
Other debtors	27	21
Deferred tax asset	7,018	6,521
Hire purchase debtors	254	520
	<u>7,299</u>	<u>7,062</u>
	28 May 2023 £000	29 May 2022 £000
Due within one year		
Trade debtors	870	1,014
Amounts owed by group undertakings	920	1,100
Other debtors	229	90
Prepayments and accrued income	612	203
Hire purchase debtors	278	280
	<u>2,909</u>	<u>2,687</u>

Admiral Taverns Piccadilly Limited

**Notes to the Financial Statements
For the Period Ended 28 May 2023**

17. Cash and cash equivalents

	28 May 2023 £000	29 May 2022 £000
Cash at bank and in hand	88	-
	<u>88</u>	<u>-</u>

18. Creditors: Amounts falling due within one year

	28 May 2023 £000	29 May 2022 £000
Trade creditors	1	78
Amounts owed to group undertakings	135,580	131,009
Other taxation and social security	-	4,987
Other creditors	1,572	1,804
Accruals and deferred income	4,381	2,693
	<u>141,534</u>	<u>140,571</u>

Admiral Taverns Piccadilly Limited

Notes to the Financial Statements For the Period Ended 28 May 2023

19. Financial instruments

	28 May 2023 £000	29 May 2022 £000
Financial assets		
Cash	88	-
Financial assets that are debt instruments measured at amortised cost	2,046	2,227
	<u>2,134</u>	<u>2,227</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(142,703)</u>	<u>(136,324)</u>

Financial assets measured at amortised cost comprise trade debtors, HP debtors, intercompany debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, intercompany creditors, other creditors, accruals and provisions.

Admiral Taverns Piccadilly Limited

Notes to the Financial Statements For the Period Ended 28 May 2023

20. Deferred taxation

	2023 £000
At 29 May 2022	6,521
Credited to profit or loss	497
At 28 May 2023	7,018

The deferred tax asset is made up as follows:

	28 May 2023 £000	29 May 2022 £000
Decelerated capital allowances	2,301	2,373
Tax losses carried forward	4,717	4,148
	7,018	6,521

The Company has reviewed the recoverability of the deferred tax asset due to the losses made in the year. It is deemed to be recoverable given the expectation of future profits as the current losses are as a result of Covid-19 and this is considered temporary.

21. Provisions

	Provision for onerous lease £000	Dilapidations provision £000	Total £000
At 29 May 2022	-	768	768
Charged to profit or loss	-	101	101
Utilised in period	300	-	300
At 28 May 2023	300	869	1,169

The onerous lease provision incorporates expected cash inflows from the utilisation of the assets. The calculation includes the directors best estimate of the likely future cash inflows, and in the event that no inflows were receivable the maximum increase in the provision would be £1.5m.

Admiral Taverns Piccadilly Limited

Notes to the Financial Statements For the Period Ended 28 May 2023

22. Share capital

	28 May 2023 £000	29 May 2022 £000
Allotted, called up and fully paid		
1 (2022 - 1) Ordinary share of £1.00	-	-

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights, they do not confer any rights of redemption.

23. Commitments under operating leases

At 28 May 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	28 May 2023 £000	29 May 2022 £000
Land and buildings		
Not later than 1 year	177	175
Later than 1 year and not later than 5 years	702	696
Later than 5 years	4,950	5,107
	<u>5,829</u>	<u>5,978</u>

24. Related party transactions

The company has taken advantage of the exemption not to disclose transactions with other wholly owned members of the PSSF Brady Holdco (UK) Limited group.

There are no other related party transactions requiring disclosure in the financial statements.

Admiral Taverns Piccadilly Limited

Notes to the Financial Statements For the Period Ended 28 May 2023

25. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Admiral Taverns Bidco Limited, a company incorporated in the United Kingdom.

The Company's ultimate parent undertaking and controlling party is PSSF Brady (Cayman) Limited, an entity incorporated in the Cayman Islands.

The group financial statements of the AT Brady Holdings Limited group incorporated in the United Kingdom, being the smallest consolidated financial statements including the results of the Company, will be available to the public and may be obtained from the registered office of AT Brady Holdings Limited at Milton Gate, 60 Chiswell Street, London EC1Y 4AG.

The group financial statements of the PSSF Brady Holdco (UK) Limited group, incorporated in the United Kingdom, being the largest consolidated financial statements including the results of the Company, will be available to the public and may be obtained from the registered office of PSSF Brady Holdco (UK) Limited at 65 Grosvenor Street, London, England, W1K 3JH.