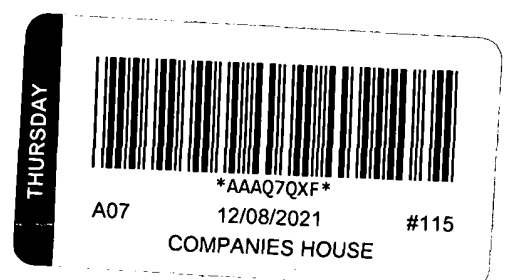


**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 30 September 2020
for
CALL TO THE BAR LIMITED**



**Contents of the Consolidated Financial Statements
for the Year Ended 30 September 2020**

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CALL TO THE BAR LIMITED

**Company Information
for the Year Ended 30 September 2020**

DIRECTORS:

R Munding
S Welsh

REGISTERED OFFICE:

Kernow House
Gas Hill
Newham
Truro
TR1 2XP

REGISTERED NUMBER:

08678970 (England and Wales)

AUDITORS:

Pembroke Briggs Chartered Accountants
1a The Quadrant Courtyard
Quadrant Way
Weybridge
Surrey
KT13 8DR

**Group Strategic Report
for the Year Ended 30 September 2020**

The directors present their strategic report of the company and the group for the year ended 30 September 2020.

REVIEW OF BUSINESS

Early in the financial year the Group purchased two further free of tie leasehold sites, both offering a strong trading opportunity within central London and with a quality offering and significant revenues from food.

The impact of the Covid-19 pandemic and the forced closure of all sites from 20 March 2020 to 4 July 2020, severely impacted revenues.

The teams reacted quickly to the ever-changing restrictions and created a safe environment for our customers and staff and adapted and changed our offering where possible.

In May 2020, during the closure period a further four leasehold sites were purchased. This strategic acquisition provided several new sites, further out from the core central London estate, in more residential areas, with outside trading space, providing a greater geographic spread and diversity of customer base.

The directors believe the future will remain challenging, depending upon the depth of the trading restrictions and the progress of the vaccination programme. However, they are encouraged by the strong controls on costs that have been put in place, the level of government support from the Coronavirus Job Retention Scheme and grants programme available. The directors are appreciative of the financial support and other measures that have been put in place by the government and local councils.

The directors also expect the recovery from the pandemic will be strong, as soon as there is a return to more normal customer activity, but this will largely depend upon office workers returning to their offices in considerable number.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the company's long term performance and which could cause actual results to differ from those expected. These can be summarised as follows.

Business and Industry Risks

If the company adopts the wrong business strategy or does not implement its strategies effectively the business may suffer. In industry specific context this requires the Directors and management to continually monitor trends and developments in the hospitality industry.

Financial Strategy

Risks relate to an incorrect or unclear financial strategy and the failure to achieve financial plans. Weak performance could put pressure on profits and cashflows. To manage this risk financial strategy risks and performance are regularly reviewed by the Board. Detailed plans and budgets are set for the Company to drive delivery.

Failure to Compete Effectively

Failure to compete on areas including range, price, quality and service could lead to a reduction in customer loyalty and new customers. This could impact our market share, sales and profitability. This is managed by the Group's long established presence in this specialised sector. Our management team regularly reviews markets, trading opportunities and competitor activities to ensure that our offer remains relevant and compelling to our customers.

Pub Estate

Successful performance of the business requires that the Group retains the right sites and the appropriate lease terms as well as developing the trading space to drive increased footfall and customer spend. As above our management team continually reviews the performance of the pub estate. In addition professional and experience external advice is continually utilised where required to assist with Pub Estate matters.

KEY PERFORMANCE INDICATORS

Revenue £4.7 million (2019 £6.6 million)

Gross Profit Margin 72% (2019 71%)

Operating Loss £949,314 (2019 Profit £126,459)

In addition group cashflows are monitored on a daily basis.

FINANCIAL OVERVIEW

The financial performance of the business as set out in the Key Performance Indicators is considered to be satisfactory.

As stated above the result as set out in the financial statements to be consistent and in line with expectations.

The Board anticipates that this will continue in the current year.

ON BEHALF OF THE BOARD:



S Welsh / Director

Date: 31 July 2021

**Report of the Directors
for the Year Ended 30 September 2020**

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2020.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2020.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2019 to the date of this report.

R Munding
S Welsh

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CALL TO THE BAR LIMITED

**Report of the Directors
for the Year Ended 30 September 2020**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Pembroke Briggs Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
S Welsh - Director

Date: 31 July 2021

Opinion

We have audited the financial statements of Call To The Bar Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2020 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 September 2020 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Note 2 in the financial statements, which indicates 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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 parent company 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 Statement of Directors' Responsibilities set out on page five, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

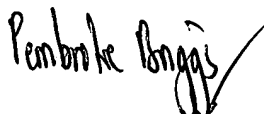
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.



S Briggs (Senior Statutory Auditor)
for and on behalf of Pembroke Briggs Chartered Accountants
1a The Quadrant Courtyard
Quadrant Way
Weybridge
Surrey
KT13 8DR

Date: 31 July 2021

CALL TO THE BAR LIMITED

**Consolidated Income Statement
for the Year Ended 30 September 2020**

	Notes	30.9.20 £	30.9.19 £
TURNOVER		4,661,766	6,588,778
Cost of sales		1,289,776	1,875,200
GROSS PROFIT		3,371,990	4,713,578
Administrative expenses		5,287,873	4,675,863
		(1,915,883)	37,715
Other operating income		966,563	88,744
OPERATING (LOSS)/PROFIT	4	(949,320)	126,459
Interest receivable and similar income		6	-
		(949,314)	126,459
Interest payable and similar expenses	5	102,288	100,984
(LOSS)/PROFIT BEFORE TAXATION		(1,051,602)	25,475
Tax on (loss)/profit	6	61,830	64,565
LOSS FOR THE FINANCIAL YEAR		(1,113,432)	(39,090)
Loss attributable to: Owners of the parent		(1,113,432)	(39,090)

The notes form part of these financial statements

CALL TO THE BAR LIMITED**Consolidated Other Comprehensive Income
for the Year Ended 30 September 2020**

	Notes	30.9.20 £	30.9.19 £
LOSS FOR THE YEAR		(1,113,432)	(39,090)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(1,113,432)</u>	<u>(39,090)</u>
Total comprehensive income attributable to: Owners of the parent		<u>(1,113,432)</u>	<u>(39,090)</u>

The notes form part of these financial statements

Consolidated Balance Sheet
30 September 2020

		30.9.20		30.9.19	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		1,610,018		1,817,845
Tangible assets	9		3,072,224		2,654,337
Investments	10		-		-
			<u>4,682,242</u>		<u>4,472,182</u>
CURRENT ASSETS					
Stocks	11	115,022		70,199	
Debtors	12	720,133		591,582	
Cash at bank and in hand		599,823		243,943	
		<u>1,434,978</u>		<u>905,724</u>	
CREDITORS					
Amounts falling due within one year	13	2,615,342		1,907,993	
NET CURRENT LIABILITIES			<u>(1,180,364)</u>		<u>(1,002,269)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,501,878		3,469,913
CREDITORS					
Amounts falling due after more than one year	14		(2,952,016)		(1,868,449)
PROVISIONS FOR LIABILITIES	17		<u>(102,232)</u>		<u>(40,402)</u>
NET ASSETS			<u><u>447,630</u></u>		<u><u>1,561,062</u></u>

Consolidated Balance Sheet - continued
30 September 2020

	Notes	30.9.20 £	30.9.19 £
CAPITAL AND RESERVES			
Called up share capital	18	970,030	970,030
Retained earnings	19	(522,400)	591,032
SHAREHOLDERS' FUNDS		<u>447,630</u>	<u>1,561,062</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31.08.2021 and were signed on its behalf by:


.....
S Welsh - Director

Company Balance Sheet
30 September 2020

	Notes	30.9.20		30.9.19	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		1,212,169		1,235,404
Investments	10		4,599,250		4,599,250
			<u>5,811,419</u>		<u>5,834,654</u>
CURRENT ASSETS					
Debtors	12	25,571		8,058	
Cash at bank		15,212		2,589	
		<u>40,783</u>		<u>10,647</u>	
CREDITORS					
Amounts falling due within one year	13	3,510,266		3,941,441	
NET CURRENT LIABILITIES			<u>(3,469,483)</u>		<u>(3,930,794)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,341,936		1,903,860
CREDITORS					
Amounts falling due after more than one year	14		1,570,302		1,122,696
NET ASSETS			<u>771,634</u>		<u>781,164</u>
CAPITAL AND RESERVES					
Called up share capital	18		970,030		970,030
Retained earnings			(198,396)		(188,866)
SHAREHOLDERS' FUNDS			<u>771,634</u>		<u>781,164</u>
Company's loss for the financial year			<u>(9,530)</u>		<u>(61,499)</u>

The notes form part of these financial statements

Company Balance Sheet - continued
30 September 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

.....
S Welsh - Director

CALL TO THE BAR LIMITED**Consolidated Statement of Changes in Equity
for the Year Ended 30 September 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2018	970,030	630,122	1,600,152
Changes in equity			
Total comprehensive income	-	(39,090)	(39,090)
Balance at 30 September 2019	970,030	591,032	1,561,062
Changes in equity			
Total comprehensive income	-	(1,113,432)	(1,113,432)
Balance at 30 September 2020	970,030	(522,400)	447,630

The notes form part of these financial statements

CALL TO THE BAR LIMITED

**Company Statement of Changes in Equity
for the Year Ended 30 September 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2018	970,030	(127,367)	842,663
Changes in equity			
Total comprehensive income	-	(61,499)	(61,499)
Balance at 30 September 2019	970,030	(188,866)	781,164
Changes in equity			
Total comprehensive income	-	(9,530)	(9,530)
Balance at 30 September 2020	970,030	(198,396)	771,634

The notes form part of these financial statements

CALL TO THE BAR LIMITED

Consolidated Cash Flow Statement for the Year Ended 30 September 2020

	Notes	30.9.20 £	30.9.19 £
Cash flows from operating activities			
Cash generated from operations	1	218,264	361,976
Interest paid		(102,288)	(100,984)
Tax paid		-	(15,569)
Net cash from operating activities		<u>115,976</u>	<u>245,423</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		140,860	-
Purchase of tangible fixed assets		(664,414)	(91,005)
Sale of intangible fixed assets		(160,406)	-
Sale of tangible fixed assets		47,500	-
Interest received		6	-
Net cash from investing activities		<u>(636,454)</u>	<u>(91,005)</u>
Cash flows from financing activities			
New loans in year		859,207	-
Loan repayments in year		-	(175,280)
Amount introduced by directors		17,151	16,427
Net cash from financing activities		<u>876,358</u>	<u>(158,853)</u>
Increase/(decrease) in cash and cash equivalents			
		355,880	(4,435)
Cash and cash equivalents at beginning of year	2	243,943	248,378
Cash and cash equivalents at end of year	2	<u><u>599,823</u></u>	<u><u>243,943</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 September 2020**

**1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH
GENERATED FROM OPERATIONS**

	30.9.20	30.9.19
	£	£
(Loss)/profit before taxation	(1,051,602)	25,475
Depreciation charges	426,401	390,135
Finance costs	102,288	100,984
Finance income	(6)	-
	(522,919)	516,594
(Increase)/decrease in stocks	(44,823)	2,038
Increase in trade and other debtors	(128,551)	(65,118)
Increase/(decrease) in trade and other creditors	914,557	(91,538)
Cash generated from operations	218,264	361,976

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 September 2020

	30.9.20	1.10.19
	£	£
Cash and cash equivalents	599,823	243,943

Year ended 30 September 2019

	30.9.19	1.10.18
	£	£
Cash and cash equivalents	243,943	248,378

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 September 2020

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.19 £	Cash flow £	At 30.9.20 £
Net cash			
Cash at bank and in hand	243,943	355,880	599,823
	<u>243,943</u>	<u>355,880</u>	<u>599,823</u>
Debt			
Debts falling due within 1 year	(363,636)	177,913	(185,723)
Debts falling due after 1 year	(884,745)	(1,037,121)	(1,921,866)
	<u>(1,248,381)</u>	<u>(859,208)</u>	<u>(2,107,589)</u>
Total	<u>(1,004,438)</u>	<u>(503,328)</u>	<u>(1,507,766)</u>

1. STATUTORY INFORMATION

Call To The Bar Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Government grants

Monetary resources transferred to the Company by government, government agencies or similar bodies are recognised at fair value, when it is confirmed that the relevant grant will be received. Grants income is recognised net in the profit and loss account, over the same period during which the expenses, for which the grant was intended to compensate, are recognised. Grants income is disclosed in the notes to the financial statements.

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of the revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purpose of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost and Over period of lease
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss or service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

2. ACCOUNTING POLICIES - continued

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provision of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2. ACCOUNTING POLICIES - continued

Defined contribution pension plan

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

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

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

Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Directors have considered the impact of the coronavirus pandemic (COVID 19) as set out in Note 20, Post Balance Sheet Events and based on management accounts and projections, the Directors anticipate that the Company will maintain sustainable profitability and positive cashflow over the 12 months from the date of approval of the 2020 financial statements. Furthermore, the Directors, Shareholders and Company Bankers have indicated a willingness to make available continuing financial support to the Company for the foreseeable future.

Therefore, after making enquiries and considering the uncertainties described above, the Directors have concluded that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least the next 12 months from the date of approval of the 2020 financial statements. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements. The financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2. ACCOUNTING POLICIES - continued**Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

3. EMPLOYEES AND DIRECTORS

	30.9.20 £	30.9.19 £
Wages and salaries	2,163,707	1,825,506
Social security costs	192,713	137,432
Other pension costs	117,190	76,696
	<u>2,473,610</u>	<u>2,039,634</u>

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

	30.9.20	30.9.19
Operational	<u>110</u>	<u>94</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 110 (2019 - 94).

	30.9.20 £	30.9.19 £
Directors' remuneration	<u>161,869</u>	<u>181,337</u>

4. OPERATING (LOSS)/PROFIT

The operating loss (2019 - operating profit) is stated after charging/(crediting):

	30.9.20 £	30.9.19 £
Depreciation - owned assets	199,027	176,512
Goodwill amortisation	227,373	213,623
Auditors' remuneration	6,000	4,000
Government grants	(891,216)	-
Impairment losses for intangible fixed assets	<u>145,455</u>	<u>-</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.9.20	30.9.19
	£	£
Bank interest	-	506
Bank loan interest	38,356	69,017
Other interest	63,932	31,461
	<u>102,288</u>	<u>100,984</u>

6. TAXATION**Analysis of the tax charge**

The tax charge on the loss for the year was as follows:

	30.9.20	30.9.19
	£	£
Current tax:		
UK corporation tax	-	65,483
Deferred tax	61,830	(918)
Tax on (loss)/profit	<u>61,830</u>	<u>64,565</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.9.20	30.9.19
	£	£
(Loss)/profit before tax	<u>(1,051,602)</u>	<u>25,475</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(199,804)	4,840
Effects of:		
Utilisation of tax losses	206,923	-
Depreciation in excess of capital allowances	(7,119)	60,643
Deferred tax provision	61,830	(918)
Total tax charge	<u>61,830</u>	<u>64,565</u>

6. TAXATION - continued

There is no corporation tax payable as a result of the 2020 trading losses. Furthermore, the 2019 tax charge will be reversed after carrying back the 2020 losses, subject to approval from HM Revenue & Customs. The 2019 tax provision will be reversed in the accounting period in which the approval has been granted.

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. INTANGIBLE FIXED ASSETS**Group**

	Goodwill £
COST	
At 1 October 2019	2,176,194
Additions	165,001
Impairments	(305,861)
	<hr/>
At 30 September 2020	2,035,334
	<hr/>
AMORTISATION	
At 1 October 2019	358,349
Amortisation for year	227,373
Goodwill written off	(160,406)
	<hr/>
At 30 September 2020	425,316
	<hr/>
NET BOOK VALUE	
At 30 September 2020	1,610,018
	<hr/> <hr/>
At 30 September 2019	1,817,845
	<hr/> <hr/>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2020

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 October 2019	2,966,025	-	1,018,960	33,894	4,018,879
Additions	244,223	3,050	373,263	43,878	664,414
Disposals	(47,500)	-	-	-	(47,500)
At 30 September 2020	3,162,748	3,050	1,392,223	77,772	4,635,793
DEPRECIATION					
At 1 October 2019	732,923	-	617,123	14,496	1,364,542
Charge for year	89,651	-	92,891	16,485	199,027
At 30 September 2020	822,574	-	710,014	30,981	1,563,569
NET BOOK VALUE					
At 30 September 2020	2,340,174	3,050	682,209	46,791	3,072,224
At 30 September 2019	2,233,102	-	401,837	19,398	2,654,337

9. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Long leasehold £	Totals £
COST			
At 1 October 2019	1,314,260	-	1,314,260
Additions	-	3,050	3,050
At 30 September 2020	1,314,260	3,050	1,317,310
DEPRECIATION			
At 1 October 2019	78,856	-	78,856
Charge for year	26,285	-	26,285
At 30 September 2020	105,141	-	105,141
NET BOOK VALUE			
At 30 September 2020	1,209,119	3,050	1,212,169
At 30 September 2019	1,235,404	-	1,235,404

10. FIXED ASSET INVESTMENTS

Company

	Other investments £
COST	
At 1 October 2019 and 30 September 2020	4,599,250
NET BOOK VALUE	
At 30 September 2020	4,599,250
At 30 September 2019	4,599,250

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2020

11. STOCKS

	Group	
	30.9.20	30.9.19
	£	£
Finished goods	<u>115,022</u>	<u>70,199</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.9.20	30.9.19	30.9.20	30.9.19
	£	£	£	£
Trade debtors	(6,148)	17,001	24,141	6,639
Other debtors	284,441	190,563	-	-
Prepayments	441,840	384,018	1,430	1,419
	<u>720,133</u>	<u>591,582</u>	<u>25,571</u>	<u>8,058</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.9.20	30.9.19	30.9.20	30.9.19
	£	£	£	£
Bank loans and overdrafts (see note 15)	185,723	363,636	185,723	363,636
Trade creditors	1,028,299	500,815	9,205	2,226
Amounts owed to group undertakings	-	-	2,884,611	3,161,898
Tax	65,483	65,483	-	-
Social security and other taxes	187,882	265,170	-	-
VAT	1,305	1,510	1,305	1,510
Other creditors	719,278	301,158	2,050	1,950
Directors' loan accounts	406,372	389,221	406,372	389,221
Accrued expenses	21,000	21,000	21,000	21,000
	<u>2,615,342</u>	<u>1,907,993</u>	<u>3,510,266</u>	<u>3,941,441</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	30.9.20	30.9.19	30.9.20	30.9.19
	£	£	£	£
Bank loans (see note 15)	1,921,866	884,745	1,321,866	884,745
Other creditors	1,030,150	983,704	248,436	237,951
	<u>2,952,016</u>	<u>1,868,449</u>	<u>1,570,302</u>	<u>1,122,696</u>

The bank borrowings are secured by a legal charge created on the 3rd October 2018 in favour of HSBC Bank PLC on the freehold property held by the Company.

Creditors due after more than one year amounting to £778,616 (2019: £745,753) relates to a loan advance to the Group from a member with a participating interest.

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.9.20	30.9.19	30.9.20	30.9.19
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>185,723</u>	<u>363,636</u>	<u>185,723</u>	<u>363,636</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>1,321,866</u>	<u>884,745</u>	<u>1,321,866</u>	<u>884,745</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company received a Commercial Business Interruption Loan ("CBIL") under the Government Scheme in the amount of £600,000. The purpose of the loan is to provide Working Capital during the COVID Pandemic.

Loan term is 60 months from May 2020, and the principal is repaid in equal monthly installments over 5 years.

Interest is charged at 3.99% over Base Rate.

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	30.9.20	30.9.19
	£	£
Between one and five years	5,993,297	1,449,942
In more than five years	6,972,830	4,267,593
	<u>12,966,127</u>	<u>5,717,535</u>

Operating lease payments represent rentals payable by the company for properties. Leases are negotiated for an average of 5 years and rentals are fixed for the 5 years with an option to extend for a further 5 years at the prevailing market rate.

At the reporting end date the company had the above outstanding commitments for future minimum lease payments under non-cancellable operating leases.

17. PROVISIONS FOR LIABILITIES

	Group	
	30.9.20	30.9.19
	£	£
Deferred tax	<u>102,232</u>	<u>40,402</u>
Group		
		Deferred tax £
Balance at 1 October 2019		40,402
Provided during year		61,830
Balance at 30 September 2020		<u>102,232</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	30.9.20	30.9.19
Number:	Class:		£	£
970,000	Ordinary "A" shares	£1	970,000	970,000
30,000	Ordinary "B" shares	£0.001	30	30
			<u>970,030</u>	<u>970,030</u>

19. RESERVES

Group

	Retained earnings £
At 1 October 2019	591,032
Deficit for the year	<u>(1,113,432)</u>
At 30 September 2020	<u>(522,400)</u>

20. POST BALANCE SHEET EVENTS

Overall risk to operations

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

Directly the Company has suffered significant decreases in demand since March 2020, resulting from social distancing efforts and related to the spread of COVID-19.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 30 September 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

21. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £117,190 (2019 - £76,696). Contributions totalling £17,382 (2019 - £13,011) were payable to the fund at the reporting date.

22. MORTGAGE DEBENTURE

The Company has issued a Debenture in favour of HSBC UK Bank Plc, comprising fixed and floating charges over all the leasehold property, book and other debts, chattels, goodwill and other assets both present and future.

23. CAPITAL COMMITMENTS

The Company purchased a Long Leasehold property on the Kings Road, Chelsea for £625,000 by auction in August 2020. The purchase completed on 13 October 2020.