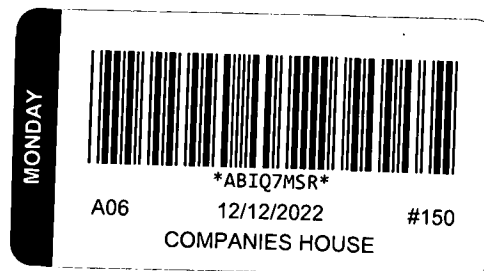


**COMPANY REGISTRATION NUMBER: 09359989**

**THE LIBERTY (CITY) PUB COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED**  
**27 MARCH 2022**



**THE LIBERTY (CITY) PUB COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

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**THE LIBERTY (CITY) PUB COMPANY LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**The board of directors**

Mr A Bruce  
Mr A Nares  
Mr J Watson  
Mr P McDonald

**Registered office**

27 Britton Street  
London  
United Kingdom  
EC1M 5UD

**Auditor**

BSG Valentine (UK) LLP  
Chartered Accountants & Statutory Auditor  
Lynton House  
7 - 12 Tavistock Square  
London  
WC1H 9BQ

# THE LIBERTY (CITY) PUB COMPANY LIMITED

## STRATEGIC REPORT

### PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022

The directors present their strategic report of the company for the period ended 27 March 2022.

#### Principal activity

The principal activity of the company continued to be the development, management and operation of public houses.

#### Fair review of the business

For the period ending 27 March 2022, the company continues to have six sites under its management.

The key financial highlights are as follows:

	Period ended 27/03/22	Period ended 28/03/21
Turnover	£5.2m	£1.6m
Turnover growth/(fall)	223.9%	(55.3%)
Gross profit margin	75.3%	71.8%
Loss before tax	(£214k)	(£600k)
EBITDA	£704k	(£2k)
Current ratio	0.57	0.37

EBITDA calculated as operating profit with depreciation added back.

Turnover during the period under review was much improved on the prior period, which had been heavily affected by the Covid-19 pandemic. Most of our sites reopened during May 2021 and traded relatively untroubled except for the Christmas period, which was heavily disrupted by the Omicron variant. Turnover increased by £3.6m to £5.2m, while like for like turnover was at 105% of the more comparable 2019-20 period. Gross margins improved to 75.3%, and EBITDA improved by £0.706m to £0.704m. The company continued to receive governmental support, albeit on a reduced basis, in the form of local grants, reduced business rates, reduced VAT on food sales, and the Coronavirus Job Retention Scheme (CJRS), which tapered down to its conclusion in September. All of the sites were significantly profit-making at EBITDA level. The company remains financially stable, with relatively low overheads and strong asset backing. Trading in the 2022-23 period has been strong, with turnover at the time of writing at 113% of 2019-20 on a like for like basis. Cost pressures exist principally in the form of higher food prices and energy costs, however the company has taken prudent steps to deal with these issues and expects trading for the rest of the 2022-23 period to remain robust, with the first full period of Christmas trading for three years expected to be bounteous.

#### Principal risks and uncertainties

The company continually looks to mitigate and minimise potential risks and uncertainties, which we recognise, amongst others, to be: loss of key suppliers; loss of trade; loss of key personnel; theft; health and safety compliance; cyber breaches; loss of liquidity; regulatory and other changes in the macro-economic environment.

In mitigation of the above: the company has good connections with numerous large and bespoke suppliers and an excellent credit history. Higher energy costs have been partially mitigated by government intervention and by selective forward buying by the company's energy broker. The company has relatively low gearing and is therefore able to absorb increases in interest rates. The company has increased sales prices to offset inflationary trends and partakes in collective buying to reduce the costs of raw materials, additionally long-term deals are in place with key beer, wine and spirits suppliers. The company is relatively protected from recessionary pressures due to the well above-average profile of its customer base and by offering good quality products at relatively affordable prices. It is believed our customers will continue to frequent our pubs as they see this both as an affordable expense and one they derive significant social benefits from. The company has access to a large pool of operational and managerial personnel to ensure business continuity. The company has not experienced staffing shortages resulting from labour market shortages and has a normal level of unfilled positions, looking

**THE LIBERTY (CITY) PUB COMPANY LIMITED**

**STRATEGIC REPORT** *(continued)*

**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

forward the company expects to be able to continue to fill vacancies as they arise. It has well-located sites in attractive and busy locations and continually assesses the quality and type of offer to ensure attractiveness. Theft is mitigated by robust systems and the low level of cash purchases now made. These same systems are GDPR-approved and contain encryption and other techniques to prevent cyber-crime. The company enjoys a strong relationship with its bank and employs reputable consultants to ensure health standards are vigorously upheld in its sites. Regarding the macro environment there is always a risk of unfavourable legislation or higher interest rates or beer duty, however the company maintains significant levels of reserves, and good freehold backing to ensure there is adequate buffering in the event of a downturn.

*Covid-19*

At the time of writing, there appears to be a much-reduced risk of further serious disruption from Covid-19 with the government opposed to further closures. However, the directors continue to closely monitor company finances to ensure access to significant funds is maintained. The directors are confident that in the event of any possible future period of closure that the company has sufficient access to liquidity to comfortably deal with this, and that strong trade would resume on reopening as it has done the previous three times lockdowns have been experienced.

This report was approved by the board of directors on 2<sup>nd</sup> December 2022 and signed on behalf of the board by:



Mr J Watson  
Director

Registered office:  
27 Britton Street  
London  
United Kingdom  
EC1M 5UD

# **THE LIBERTY (CITY) PUB COMPANY LIMITED**

## **DIRECTORS' REPORT**

### **PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

The directors present their report and the financial statements of the company for the period ended 27 March 2022.

#### **Directors**

The directors who served the company during the period were as follows:

Mr A Bruce  
Mr A Nares  
Mr J Watson  
Mr P McDonald

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Future developments**

The company will continue in its principal activity.

The directors continue to review the marketplace with a view to growing the business, identifying opportunities and managing the risks facing the business.

#### **Financial instruments**

The directors do not consider that a detailed description of the use of financial instruments is necessary for an assessment of the company's financial position and result for the period.

The company is exposed to interest rate fluctuations on its variable rate borrowings.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, 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 period. 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 profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE LIBERTY (CITY) PUB COMPANY LIMITED**

**DIRECTORS' REPORT** *(continued)*

**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 2<sup>nd</sup> December 2022 and signed on behalf of the board by:



Mr J Watson  
Director

Registered office:  
27 Britton Street  
London  
United Kingdom  
EC1M 5UD

**THE LIBERTY (CITY) PUB COMPANY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIBERTY (CITY) PUB**  
**COMPANY LIMITED**  
**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

**Opinion**

We have audited the financial statements of The Liberty (City) Pub Company Limited (the 'company') for the period ended 27 March 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 March 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**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.



**THE LIBERTY (CITY) PUB COMPANY LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIBERTY (CITY) PUB  
COMPANY LIMITED (continued)**

**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

**Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

**THE LIBERTY (CITY) PUB COMPANY LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIBERTY (CITY) PUB  
COMPANY LIMITED (continued)**

**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

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

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

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

Based on our understanding and accumulated knowledge of the company and the sector in which it operates we identified and assessed the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. Relevant laws and regulations, together with potential fraud risks, were communicated to the audit engagement team at the planning stage to ensure they remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our procedures included, but were not limited to: Enquiry of management and performing analytical review procedures to identify any unusual relationships that may indicate a material misstatement; agreement of the financial statement disclosures to underlying supporting documentation; considering and challenging assumptions and judgements made by management in their significant accounting estimates and judgements; review of board meeting minutes; performing appropriate testing in respect of the risk of fraud in turnover recognition by selecting an appropriate sample of sales transactions for directional testing, through review of margins, and by ensuring correct revenue cut off; performing testing in respect of amounts claimed in government support grants; testing the appropriateness of journals to address the risk of fraud through management override of control; holding discussions with management, including enquiring of management as to any actual or suspected non-compliance with laws and regulations or fraud; and confirmation that there are no significant issues with regard the company's premises licensing.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**THE LIBERTY (CITY) PUB COMPANY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIBERTY (CITY) PUB**  
**COMPANY LIMITED** *(continued)*

**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

**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.

*BSG Valentine (UK) LLP*

Luke Richardson BSc FCA (Senior Statutory Auditor)

For and on behalf of  
BSG Valentine (UK) LLP  
Chartered Accountants & Statutory Auditor  
Lynton House  
7 - 12 Tavistock Square  
London  
WC1H 9BQ

05 December 2022.

**THE LIBERTY (CITY) PUB COMPANY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

	Note	Period from 29 Mar 21 to 27 Mar 22 £	Period from 30 Mar 20 to 28 Mar 21 £
<b>TURNOVER</b>	<b>4</b>	5,223,335	1,612,615
Cost of sales		<u>(1,288,816)</u>	<u>(455,153)</u>
<b>GROSS PROFIT</b>		3,934,519	1,157,462
Administrative expenses		(4,214,261)	(2,819,063)
Other operating income	<b>5</b>	<u>153,961</u>	<u>1,155,027</u>
<b>OPERATING LOSS</b>	<b>6</b>	(125,781)	(506,574)
Interest payable and similar expenses	<b>11</b>	<u>(88,554)</u>	<u>(93,154)</u>
<b>LOSS BEFORE TAXATION</b>		(214,335)	(599,728)
Tax on loss	<b>12</b>	<u>—</u>	<u>—</u>
<b>LOSS FOR THE FINANCIAL PERIOD AND TOTAL COMPREHENSIVE INCOME</b>		<u>(214,335)</u>	<u>(599,728)</u>

All the activities of the company are from continuing operations.

The notes on pages 14 to 24 form part of these financial statements.

**THE LIBERTY (CITY) PUB COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**27 MARCH 2022**

	Note	27 Mar 22 £	£	28 Mar 21 £	£
<b>FIXED ASSETS</b>					
Tangible assets	13		6,068,007		6,697,367
<b>CURRENT ASSETS</b>					
Stocks	14	105,093		62,397	
Debtors	15	805,350		413,352	
Cash at bank and in hand		46,293		170,646	
		956,736		646,395	
<b>CREDITORS: amounts falling due within one year</b>	16	(1,689,286)		(1,750,043)	
<b>NET CURRENT LIABILITIES</b>			(732,550)		(1,103,648)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,335,457		5,593,719
<b>CREDITORS: amounts falling due after more than one year</b>	17		(2,770,541)		(2,814,468)
<b>NET ASSETS</b>			2,564,916		2,779,251
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		100,360		100,360
Share premium account	21		9,274,312		9,274,312
Profit and loss account	21		(6,809,756)		(6,595,421)
<b>SHAREHOLDERS' FUNDS</b>			2,564,916		2,779,251

These financial statements were approved by the board of directors and authorised for issue on 2<sup>nd</sup> December 2022, and are signed on behalf of the board by:



Mr J Watson  
Director

Company registration number: 09359989

The notes on pages 14 to 24 form part of these financial statements.

**THE LIBERTY (CITY) PUB COMPANY LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	<b>Total £</b>
<b>AT 30 MARCH 2020</b>	96,677	9,274,312	(5,995,693)	3,375,296
Loss for the period	—	—	(599,728)	(599,728)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	—	—	(599,728)	(599,728)
Issue of shares	3,683	—	—	3,683
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>	3,683	—	—	3,683
<b>AT 28 MARCH 2021</b>	100,360	9,274,312	(6,595,421)	2,779,251
Loss for the period	—	—	(214,335)	(214,335)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	—	—	(214,335)	(214,335)
<b>AT 27 MARCH 2022</b>	<u>100,360</u>	<u>9,274,312</u>	<u>(6,809,756)</u>	<u>2,564,916</u>

The notes on pages 14 to 24 form part of these financial statements.

**THE LIBERTY (CITY) PUB COMPANY LIMITED**

**STATEMENT OF CASH FLOWS**

**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

	27 Mar 22 £	28 Mar 21 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the financial period	(214,335)	(599,728)
<i>Adjustments for:</i>		
Depreciation of tangible assets	829,335	504,958
Interest payable and similar expenses	88,554	93,154
Accrued expenses	356,014	88,043
<i>Changes in:</i>		
Stocks	(42,696)	38,153
Trade and other debtors	(391,998)	107,146
Trade and other creditors	(315,748)	(73,825)
Cash generated from operations	<u>309,126</u>	<u>157,901</u>
Net cash from operating activities	<u>309,126</u>	<u>157,901</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(199,975)	(58,276)
Proceeds from sale of tangible assets	<u>–</u>	<u>9,360</u>
Net cash used in investing activities	<u>(199,975)</u>	<u>(48,916)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of ordinary shares	<u>–</u>	<u>3,683</u>
Repayments of borrowings	(144,950)	(47,027)
Interest paid	(88,554)	(93,154)
Net cash used in financing activities	<u>(233,504)</u>	<u>(136,498)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(124,353)</u>	<u>(27,513)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>170,646</u>	<u>198,159</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>46,293</u>	<u>170,646</u>

The notes on pages 14 to 24 form part of these financial statements.

# THE LIBERTY (CITY) PUB COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022

#### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 27 Britton Street, London, EC1M 5UD, United Kingdom.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The financial period represents the 52 weeks to 27 March 2022 (prior period 52 weeks ended 28 March 2021).

##### Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report and the Strategic Report.

Notwithstanding that, as at the period end the company has net current liabilities of £732,550 (2021: £1,103,648) and for the period then ended the company has reported an operating loss of £125,781 (2021: £506,574) with accumulated losses of £6,809,756 (2021: £6,595,421), the directors continue to prepare the financial statements on a going concern basis.

During the previous period, the activities of the company were severely disrupted by the Covid-19 pandemic along with government mandated lockdowns and social distancing restrictions. For approximately five months during the period ended March 2021, hospitality businesses, including public houses were unable to trade. Having been closed at the end of the previous period, sites reopened during May 2021 and traded relatively untroubled during FY2022 except for the key Christmas period, which was heavily disrupted by the Omicron variant. The company's 2022 revenues show a significant increase from 2021. In order to manage the impact of the pandemic on the company, the directors have taken steps to manage cash flow by renegotiating supplier deals, negotiating rent reductions, offering suppliers discounted settlements, reducing wages, and the use of the Coronavirus Job Retention Scheme. The company has also benefited from the VAT reduction to 5% on soft drinks and food, VAT deferral, business rates waiver, local government grants and the Eat Out To Help Out scheme.

The company has total shareholders' funds of £2,564,916 (2021: £2,779,251). Furthermore the company has significant freehold and long leasehold assets which can either be realised or used to raise finance if required. The company continues to have the support of its investors, and the directors believe that should it be necessary, the company could also raise further finance from the issue of shares. Additionally, should it be required, a related undertaking will provide funding such to ensure that the company can meet its liabilities as the fall due for the foreseeable future. This support has been confirmed in writing by the related undertaking.



## THE LIBERTY (CITY) PUB COMPANY LIMITED

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

#### PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022

#### 3. Accounting policies *(continued)*

The outlook for the medium term continues to be uncertain with a number of potential headwinds for the industry. These headwinds include the wider macro-economic environment, the cost of living impact on consumers, increases to the cost of wet and dry goods, and increasing energy costs. The directors are confident in the company's ability to weather these challenges.

The directors have prepared a cashflow forecast to 31 December 2023, and a trading forecast for the year to 31 March 2024. The cashflow forecast shows the company having sufficient cash to meet its obligations as they fall due.

Despite the challenges that have been faced by the industry, the directors are satisfied that the company has adequate resources to enable it to meet its liabilities as they fall due for the foreseeable future. Accordingly, the directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis.

#### **Judgements 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. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Going concern - as detailed in the accounting policy above, the directors judge that the company is a going concern;
- Goodwill - any goodwill arising on a site acquisition reflects the judgements that management have made on acquisition in respect of assessing the fair values of the acquired land and buildings along with any goodwill;
- Impairment review of fixed assets - the directors have performed an impairment review on the company's assets, treating each pub site along with any related goodwill as an income generating unit. In performing this impairment review the directors have estimated the value of each site by applying a profit multiple to their estimate of the sustainable profit of the site. In addition, third party professional valuations have been undertaken on some of the sites in the company's portfolio, and these valuations have been incorporated into the directors' review. The directors also considered the values of the sites that were not professionally valued in the context of the findings of the professional valuations. Where the estimated value of the site is less than the carrying value, an impairment has been recognised. Impairments are allocated firstly to any goodwill allocated to the income generating unit, and then to the other assets of the income generating unit. The directors have made judgements in both the selection of the appropriate profit multiple and in estimating the sustainable profit. The estimate of sustainable profit incorporates a number of judgements, including changes to the company's cost base, consumer behaviours, and the wider macro-economic environment, all of which are inherently uncertain. Ultimately, the directors judge that the carrying value of the company's assets will be recovered;
- Deferred tax asset - no deferred tax asset has been recognised in respect of trading losses. This is due to the uncertainties over the existence and timing of future taxable profits. Should the availability of future taxable profits become more certain and a reliable estimate possible, then an asset may be recognised;

**THE LIBERTY (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

**3. Accounting policies** *(continued)*

**Judgements and key sources of estimation uncertainty** *(continued)*

- Rent concessions - the directors judge that rent concessions granted to the company during the year are intended to compensate the company for Covid-19 disruption during the period. They also judge that these concessions meet the criteria detailed in the accounting policy below, allowing recognition of the concessions over the period for which they are intended to compensate the company; and
- Depreciation of land - the land forming part of the company's trading sites is depreciated along with the buildings upon it. This is on the basis that the directors judge this approach to be normal industry practice.

**Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

- Tangible fixed assets - tangible fixed assets are initially recorded at cost and are then depreciated over their estimated useful economic lives, as detailed in the below accounting policy;
- Site depreciation - freehold sites are depreciated over their estimated useful economic life. It is not deemed practical to come up with a reliable estimate of the land values within the price paid for the freehold, consequently the land intrinsic to the site is depreciated along with the buildings;
- Lease obligations - in determining if lease obligations are onerous, management are estimating the future economic benefits the company will receive from the site, based upon current and anticipated performance;
- Accruals - accruals have been calculated by management based upon their estimate of expenses incurred by the company up to the period end, which have not been invoiced or paid. Their estimate is based upon past billing history and estimated usage over the period; and
- Supplier discounts - retrospective discounts from suppliers are accounted for when notified by the supplier, or where the company deems a retro to be due or probable and where a reliable estimate can be made.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Turnover is primarily derived from pub operations, including food and beverage sales and the hosting of private function events. Turnover in relation to food and beverage sales is recognised at the point of sale, turnover in relation to private function events is recognised when the event is held.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

## THE LIBERTY (CITY) PUB COMPANY LIMITED

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

#### PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022

### 3. Accounting policies *(continued)*

#### Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Temporary rent concessions received as a direct consequence of the Covid-19 pandemic, that meet the following conditions, are recognised on a systematic basis over the periods that the change in lease payments is intended to compensate. Conditions:

- the change in lease payments results in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no significant change to other terms and conditions of the lease.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Long leasehold property	-	2% straight line
Short leasehold property	-	Over terms of the lease
Fixtures and fittings	-	12% straight line
Equipment	-	20% straight line

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

**THE LIBERTY (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

**3. Accounting policies** *(continued)*

**Impairment of fixed assets** *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Government grants are recognised in the income statement as other operating income.

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

**THE LIBERTY (CITY) PUB COMPANY LIMITED**

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

**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

**Loans and borrowings**

Borrowings are initially recorded at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate method.

**4. Turnover**

Turnover arises from:

	Period from 29 Mar 21 to 27 Mar 22	Period from 30 Mar 20 to 28 Mar 21
	£	£
Sale of goods	<u>5,223,335</u>	<u>1,612,615</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**5. Other operating income**

	Period from 29 Mar 21 to 27 Mar 22	Period from 30 Mar 20 to 28 Mar 21
	£	£
Government grant income	153,961	988,256
Other operating income	—	166,771
	<u>153,961</u>	<u>1,155,027</u>

Other operating income relates to an insurance claim for business interruption.

**6. Operating loss**

Operating loss is stated after charging:

	Period from 29 Mar 21 to 27 Mar 22	Period from 30 Mar 20 to 28 Mar 21
	£	£
Depreciation of tangible assets	829,335	504,958
Operating lease rentals	<u>407,846</u>	<u>408,758</u>

**7. Rent concessions**

During the period, the company recognised rent concessions received to compensate the company for Covid-19 related disruption, to the value of £18,750 (2021: £81,250).

**THE LIBERTY (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

**8. Auditor's remuneration**

	Period from 29 Mar 21 to 27 Mar 22	Period from 30 Mar 20 to 28 Mar 21
	£	£
Fees payable for the audit of the financial statements	<u>10,000</u>	<u>6,750</u>

**9. Staff costs**

The average number of persons employed by the company during the period, including the directors, amounted to:

	27 Mar 22 No.	28 Mar 21 No.
Administrative & management staff	18	17
Pub staff	<u>77</u>	<u>65</u>
	<u>95</u>	<u>82</u>

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 29 Mar 21 to 27 Mar 22	Period from 30 Mar 20 to 28 Mar 21
	£	£
Wages and salaries	1,872,808	1,310,508
Social security costs	107,932	81,503
Other pension costs	<u>27,651</u>	<u>22,130</u>
	<u>2,008,391</u>	<u>1,414,141</u>

**10. Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services was:

	Period from 29 Mar 21 to 27 Mar 22	Period from 30 Mar 20 to 28 Mar 21
	£	£
Remuneration	<u>99,133</u>	<u>53,179</u>

The number of directors who accrued benefits under company pension plans was as follows:

	27 Mar 22 No.	28 Mar 21 No.
Defined contribution plans	<u>2</u>	<u>2</u>

**11. Interest payable and similar expenses**

	Period from 29 Mar 21 to 27 Mar 22	Period from 30 Mar 20 to 28 Mar 21
	£	£
Interest on banks loans and overdrafts	<u>88,554</u>	<u>93,154</u>

**THE LIBERTY (CITY) PUB COMPANY LIMITED**

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

**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

**12. Tax on loss**

**Reconciliation of tax income**

The tax assessed on the loss on ordinary activities for the period is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	Period from 29 Mar 21 to 27 Mar 22 £	Period from 30 Mar 20 to 28 Mar 21 £
Loss on ordinary activities before taxation	(214,335)	(599,728)
Loss on ordinary activities by rate of tax	(40,724)	(113,948)
Effect of capital allowances and depreciation	42,642	25,078
Utilisation of tax losses	(1,918)	–
Unused tax losses	–	119,347
Adjustment for lease premiums	–	(30,477)
Tax on loss	–	–

**Factors that may affect future tax income**

The company has estimated tax losses of £3,604,197 (2021: £3,614,294) available to be carried forward and offset against future taxable profits.

The UK enacted corporation tax rate has been revised from 19% to 25%, with the change taking effect from April 2023.

**13. Tangible assets**

	Freehold property £	Long leasehold property £	Short leasehold property £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>						
At 29 Mar 2021	3,722,553	2,097,877	2,303,164	3,611,907	45,006	11,780,507
Additions	850	–	851	196,253	2,021	199,975
<b>At 27 Mar 2022</b>	<u>3,723,403</u>	<u>2,097,877</u>	<u>2,304,015</u>	<u>3,808,160</u>	<u>47,027</u>	<u>11,980,482</u>
<b>Depreciation</b>						
At 29 Mar 2021	1,428,520	115,492	1,635,065	1,859,057	45,006	5,083,140
Charge for the period	74,264	41,843	275,364	437,352	512	829,335
<b>At 27 Mar 2022</b>	<u>1,502,784</u>	<u>157,335</u>	<u>1,910,429</u>	<u>2,296,409</u>	<u>45,518</u>	<u>5,912,475</u>
<b>Carrying amount</b>						
<b>At 27 Mar 2022</b>	<u>2,220,619</u>	<u>1,940,542</u>	<u>393,586</u>	<u>1,511,751</u>	<u>1,509</u>	<u>6,068,007</u>
At 28 Mar 2021	<u>2,294,033</u>	<u>1,982,385</u>	<u>668,099</u>	<u>1,752,850</u>	–	<u>6,697,367</u>

**THE LIBERTY (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

**14. Stocks**

	27 Mar 22	28 Mar 21
	£	£
Finished goods and goods for resale	<u>105,093</u>	<u>62,397</u>

**15. Debtors**

	27 Mar 22	28 Mar 21
	£	£
Prepayments and accrued income	418,806	174,863
Other debtors	<u>386,544</u>	<u>238,489</u>
	<u>805,350</u>	<u>413,352</u>

The debtors above include the following amounts falling due after more than one year:

	27 Mar 22	28 Mar 21
	£	£
Other debtors	<u>113,451</u>	<u>115,437</u>

**16. Creditors: amounts falling due within one year**

	27 Mar 22	28 Mar 21
	£	£
Bank loans and overdrafts	141,649	145,172
Trade creditors	826,981	485,948
Accruals and deferred income	456,493	197,979
Social security and other taxes	68,292	40,677
Other creditors	<u>195,871</u>	<u>880,267</u>
	<u>1,689,286</u>	<u>1,750,043</u>

See note 17 for detail of secured liabilities.

**17. Creditors: amounts falling due after more than one year**

	27 Mar 22	28 Mar 21
	£	£
Bank loans and overdrafts	2,416,374	2,557,801
Accruals and deferred income	<u>354,167</u>	<u>256,667</u>
	<u>2,770,541</u>	<u>2,814,468</u>

The bank loans are fully repayable within 5 years of the balance sheet date.

The bank loans are secured upon the properties of the company and by a fixed and floating charge over the assets of the company. The bank loan security contains a negative pledge.

**18. Employee benefits**

**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £26,490 (2021: £21,276). At the balance sheet date, included within creditors, are unpaid employer contributions of £2,487 (2021: £859) in respect of defined contribution schemes.



**THE LIBERTY (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

**19. Government grants**

The amounts recognised in the financial statements for government grants are as follows:

	27 Mar 22	28 Mar 21
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>153,961</u>	<u>988,256</u>

Government grants comprise amounts received under the Coronavirus Job Retention Scheme, along with various local authority grants which were provided in response to Coronavirus.

**20. Called up share capital**

**Issued, called up and fully paid**

	27 Mar 22		28 Mar 21	
	No.	£	No.	£
Ordinary shares of £0.01 each	9,667,654	96,677	9,667,654	96,677
G Ordinary shares of £0.01 each	<u>368,333</u>	<u>3,683</u>	<u>368,333</u>	<u>3,683</u>
	<u>10,035,987</u>	<u>100,360</u>	<u>10,035,987</u>	<u>100,360</u>

The Ordinary shares and the G Ordinary shares rank pari passu in all respects other than the following:

- The holders of G Ordinary shares do not have rights to attend or vote at general meetings of the company.
- The shares have differing rights on a return of capital.
- The G Ordinary shares may be converted into Deferred shares if certain conditions are met.

**21. Reserves**

Share premium account - This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

**22. Analysis of changes in net debt**

	At 29 Mar 2021	Cash flows	Other changes	At 27 Mar 2022
	£	£	£	£
Cash at bank and in hand	170,646	(124,353)	–	46,293
Debt due within one year	(145,172)	322,058	(318,535)	(141,649)
Debt due after one year	<u>(2,557,801)</u>	<u>(88,554)</u>	<u>229,981</u>	<u>(2,416,374)</u>
	<u>(2,532,327)</u>	<u>109,151</u>	<u>(88,554)</u>	<u>(2,511,730)</u>

Other changes includes accrued interest along with changes in debt maturity.

**THE LIBERTY (CITY) PUB COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD FROM 29 MARCH 2021 TO 27 MARCH 2022**

**23. Operating leases**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	27 Mar 22	28 Mar 21
	£	£
Not later than 1 year	455,000	346,250
Later than 1 year and not later than 5 years	1,860,000	1,850,000
Later than 5 years	3,160,500	3,625,500
	<u>5,475,500</u>	<u>5,821,750</u>

**24. Related party transactions**

At the period end the company owed £77,097 (2021: £756,586) to companies under common control and with directors in common. These balances are unsecured, short term and non-interest bearing.

At the period end the company was owed £nil (2021: £625) by companies under common control and with directors in common. These balances are unsecured, short term and non-interest bearing.

Key management compensation for the period, including directors was £131,713 (2021: £53,179).

In the opinion of the directors, the company is not under the control of any one party.