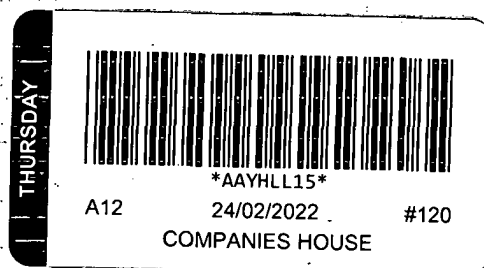


GASTRO PUBS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**



GASTRO PUBS LIMITED

COMPANY INFORMATION

Directors	D G Chappell S W Hutton
Company secretary	S W Hutton
Registered number	05781605
Registered office	The Crown Inn Lynn Road King's Lynn Norfolk PE32 1RH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 101 Cambridge Science Park Milton Road Cambridge Cambridgeshire CB4 0FY

GASTRO PUBS LIMITED

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GASTRO PUBS LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 25 APRIL 2021**

The directors present their report and the financial statements for the period ended 25 April 2021.

Results and dividends

The loss for the period, after taxation, amounted to £38,740 (2020: £919,383).

No dividends were paid during the year (2020: £Nil).

Directors

The directors who served during the period were:

D G Chappell
S W Hutton

Directors' responsibilities statement

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

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

Employee involvement

Employees are consulted on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests.

Disabled employees

The company gives full and fair consideration to application for employment by the company made by disabled persons, having regard to their particular aptitudes and abilities and for continuing the employment of, and for arranging appropriate training for, employees of the company who have become disabled persons during the period when they were employed by the company.

GASTRO PUBS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 25 APRIL 2021**

Disclosure of information to auditor

The directors confirm that:

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

Auditor

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 16 February 2022 and signed on its behalf.

Stephen Hutton

S W Hutton
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GASTRO PUBS LIMITED

Opinion

We have audited the financial statements of Gastro Pubs Limited (the 'company') for the period from 1 May 2020 to 25 April 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 25 April 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Emphasis of matter

We draw attention to note 13 to the financial statements, which describes the basis of valuing the freehold property. Management engaged an expert to value this property. The expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global Valuation – Global Standards. Consequently, less certainty and a higher degree of caution should be attached to management's valuation than would normally be the case. Our opinion is not modified in respect of this matter.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates the effect that events or conditions caused by the global COVID-19 pandemic may have on the business of the company and its ability to continue as a going concern. As stated in note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GASTRO PUBS LIMITED (CONTINUED)

Our responsibilities

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GASTRO PUBS LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

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 Directors' Report.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors for the financial statements

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.

Auditor's responsibilities for the audit of the financial statements

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GASTRO PUBS LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company. We concluded that there are certain significant laws and regulations, such as: United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), the Companies Act 2006, United Kingdom Corporation Tax legislation and employment law, that may have an effect on the determination of the amounts and disclosures in the financial statements;
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance matters. We corroborated our enquiries through our review of board minutes;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected, or alleged fraud. No matters relating to fraud were identified from our discussions;
- We made specific inquiries from key personnel outside of finance to determine whether there were fraud risk factors arising from the company's day to day operations;
- We assessed the susceptibility of the company's financial statements to material misstatement, including incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and through manipulation of accounting estimates. Audit procedures performed included:
 - Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud;
 - Identifying and testing journal entries, in particular any journal entries posted with the unusual account combinations;
 - Challenging assumptions and judgements made by management including impairment review calculations and provisions around onerous contracts and dilapidations;
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement line item.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GASTRO PUBS LIMITED (CONTINUED)

- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the client operates; and
 - Understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation, the regulators' rules and related guidance, including guidance issued by relevant authorities that interpret those rules, and the applicable statutory provisions.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. No matters relating to non-compliance with laws and regulations were determined as key audit matters; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operations, including the nature of its revenue sources, products, and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatements; and
 - the applicable regulatory framework.

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.

Grant Thornton UK LLP

James Brown
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge

16 February 2022

GASTRO PUBS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 25 APRIL 2021

	Note	2021 £	2020 £
Turnover	4	4,394,409	8,599,623
Cost of sales		(1,438,056)	(3,073,622)
Gross profit		2,956,353	5,526,001
Administrative expenses		(5,493,299)	(6,221,908)
Exceptional administrative expenses	5	329,836	(433,177)
Other operating income	6	2,288,430	325,883
Operating profit/(loss)	7	81,320	(803,201)
Interest payable and expenses	11	(120,060)	(116,182)
Loss before tax		(38,740)	(919,383)
Loss for the financial period		(38,740)	(919,383)

There was no other comprehensive income for 2021 (2020: £Nil).

The notes on pages 12 to 28 form part of these financial statements.

GASTRO PUBS LIMITED
REGISTERED NUMBER:05781605

BALANCE SHEET
AS AT 25 APRIL 2021

	Note	25 April 2021 £	30 April 2020 £
Fixed assets			
Tangible assets	13	2,768,460	3,086,102
		<u>2,768,460</u>	<u>3,086,102</u>
Current assets			
Stocks	14	118,931	125,782
Debtors: amounts falling due after more than one year	15	41,490	74,240
Debtors: amounts falling due within one year	15	449,865	896,333
Cash at bank and in hand	16	757,415	-
		<u>1,367,701</u>	<u>1,096,355</u>
Creditors: amounts falling due within one year	17	(4,959,242)	(5,926,805)
Net current liabilities		<u>(3,591,541)</u>	<u>(4,830,450)</u>
Total assets less current liabilities		<u>(823,081)</u>	<u>(1,744,348)</u>
Creditors: amounts falling due after more than one year	18	(1,268,184)	-
Provisions for liabilities			
Other provisions	21	(213,975)	(522,152)
		<u>(213,975)</u>	<u>(522,152)</u>
Net liabilities		<u><u>(2,305,240)</u></u>	<u><u>(2,266,500)</u></u>

GASTRO PUBS LIMITED
REGISTERED NUMBER:05781605

BALANCE SHEET (CONTINUED)
AS AT 25 APRIL 2021

	Note	25 April 2021 £	30 April 2020 £
Capital and reserves			
Called up share capital	22	111,111	111,111
Share premium account	23	388,889	388,889
Profit and loss account	23	(2,805,240)	(2,766,500)
		<u>(2,305,240)</u>	<u>(2,266,500)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 February 2022.

Stephen Hutton

S W Hutton
 Director

The notes on pages 12 to 28 form part of these financial statements.

GASTRO PUBS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 25 APRIL 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 May 2019	100,000	-	(1,847,117)	(1,747,117)
Comprehensive income for the year				
Loss for the year	-	-	(919,383)	(919,383)
Total comprehensive income for the year	-	-	(919,383)	(919,383)
Shares issued during the year	11,111	388,889	-	400,000
At 1 May 2020	111,111	388,889	(2,766,500)	(2,266,500)
Comprehensive income for the period				
Loss for the period	-	-	(38,740)	(38,740)
Total comprehensive income for the period	-	-	(38,740)	(38,740)
At 25 April 2021	111,111	388,889	(2,805,240)	(2,305,240)

The notes on pages 12 to 28 form part of these financial statements.

GASTRO PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

1. General information

Gastro Pubs Limited ('the company') is a private company, limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is The Crown Inn, Lynn Road, Middleton, Kings Lynn, Norfolk, PE32 1RH.

The company operates in the hospitality sector under the brand name of Middletons Steakhouse and operates a number of restaurants across the UK.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

2.2 Going concern

The financial statements are prepared on a going concern basis.

As at year end there is a balance sheet deficit of £2,305,240 (2020: £2,266,500) and a loss of £38,740 (2020: loss of £919,383) for the period then ended. The directors have considered the current position and net liabilities of the company and the majority shareholder has confirmed that they will continue to support the company under normal trading conditions, excluding the impact of COVID-19 to meet its financial liabilities as they fall due for a minimum period of 12 months from the date of signing these financial statements.

The majority shareholder has also confirmed that they will not seek repayment of the shareholder loan if it would cause the company to be unable to meet its liabilities as they fall due for a period of 12 months from the date of signing these financial statements.

Since March 2020, as a business in the hospitality sector, the company has clearly been adversely affected by the onset of the COVID-19 pandemic. It remains difficult to assess, predict and quantify the longer-term impact of the COVID-19 pandemic on consumer demands and the business, and how quickly the economy will return to normal once the impact of coronavirus abates.

The directors have concluded that this uncertainty surrounding the ongoing impact of the pandemic represents a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern.

Notwithstanding those uncertainties, in forming their assessment, the directors have prepared forecasts for the company through to 2023, and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, which is at least 12 months from the date of approval of these financial statements. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

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

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

2.4 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

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 Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

2. Accounting policies (continued)**2.9 Tangible fixed assets (continued)**

Depreciation is provided on the following basis:

Freehold property	-	2% on cost
Long-term leasehold property	-	10% on cost
Plant and machinery	-	20% on cost
Motor vehicles	-	20% on cost
Fixtures and fittings	-	20% on cost
Office equipment	-	33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.10 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU's). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.11 Revaluation of tangible fixed assets

Freehold property is carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.12 Stocks

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

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

2. Accounting policies (continued)

2.13 Debtors

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

2.14 Cash and cash equivalents

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

2.15 Creditors

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

2.16 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

2. Accounting policies (continued)

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are set off against the provision carried in the Balance Sheet.

2.18 Exceptional administrative expenses

Exceptional administrative expenses are transactions that fall within the ordinary activities of the company, but are presented separately due to their size or incidence.

2.19 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Details of government grants received are disclosed in note 6.

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

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

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

The key areas of judgement and estimation uncertainty in these financial statements are highlighted below:

Recoverability of assets

The company assesses at each reporting date whether an asset may be impaired. If there is any such indication that the carrying amount may not be recoverable, the company estimates the recoverable amount of the asset. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than the carrying amount, the carrying amount of the asset is impaired to its recoverable amount through an impairment in the Statement of Comprehensive Income. In 2019, it was noted that one restaurant had been experiencing trading difficulties and had made consistent losses at restaurant level. These losses continued and during the year the directors surrendered the lease. The recoverable amount of the corresponding fixed assets are therefore deemed to be £Nil. These were fully impaired in the prior year.

Revaluation of tangible fixed assets

The company carries its freehold building at valuation and the directors engaged an independent valuer to determine the fair value of the freehold property, which is determined from market based evidence in accordance with the requirements of FRS 102.

Provisions

Provision is made for dilapidations and onerous lease contracts. This requires management's best estimate of the expenditure that will be incurred based on contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement. For further details, see note 21.

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

4. Turnover

The whole of the turnover is attributable to restaurant services.

All turnover arose within the United Kingdom.

5. Exceptional administrative expenses

	2021 £	2020 £
Exceptional items	<u>(329,836)</u>	<u>433,177</u>

The prior year exceptional administrative expenses related to an onerous lease provision recognised with respect to the closing of a restaurant. The current year exceptional item relates to the release of that element of the provision that was not required.

6. Other operating income

	2021 £	2020 £
Business rates relief	842,244	50,000
Coronavirus job retention scheme	1,446,186	275,883
	<u>2,288,430</u>	<u>325,883</u>

7. Operating profit/(loss)

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

	2021 £	2020 £
Depreciation of tangible fixed assets	562,820	604,721
Depreciation of tangible fixed assets held under finance leases	8,474	-
Other operating lease rentals	220,779	463,370
Defined contribution pension cost	34,085	49,642
Inventories recognised as an expense	<u>1,438,056</u>	<u>3,073,622</u>

GASTRO PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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8. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	27,810	25,235
Fees payable to the company's auditor and its associates in respect of:		
Non audit services	11,474	6,874

9. Employees

	2021 £	2020 £
Wages and salaries	2,808,869	3,227,282
Social security costs	170,077	239,996
Cost of defined contribution scheme	34,085	49,642
	3,013,031	3,516,920

The average monthly number of employees, including the directors, during the year was 237 (2020: 253).

10. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	30,894	16,565

During the year retirement benefits were accruing to Nil (2020: Nil) in respect of defined contribution pension schemes.

Compensation to key management personnel comprises directors' remuneration as disclosed above and totals £30,894 (2020: £16,565).

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

11. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	108,560	67,933
Other loan interest payable	11,500	48,249
	<u>120,060</u>	<u>116,182</u>

12. Taxation

	2021 £	2020 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for the period/year

The tax assessed for the period is lower than (2020: *higher than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(38,740)</u>	<u>(919,383)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(7,361)	(174,683)
Effects of:		
Fixed asset differences	94,862	45,757
Expenses not deductible for tax purposes	332	360
Remeasurement of deferred tax for changes in tax rates	-	(9,939)
Deferred tax not recognised	(87,833)	138,505
Total tax charge for the period	<u>-</u>	<u>-</u>

GASTRO PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021

12. Taxation (continued)

Factors that may affect future tax charges

There are currently no factors which may affect future tax charges.

As at period end deferred tax assets not recognised totalled £312,210 (2020: £371,306) and deferred tax liabilities not recognised totalled £177,055 (2020: £148,318).

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 May 2020	711,352	3,433,444	615,938	1,372,696	44,837	-	6,178,267
Additions	-	165,423	80,596	-	-	72,633	318,652
Impairment	(65,000)	-	-	-	-	-	(65,000)
At 25 April 2021	<u>646,352</u>	<u>3,598,867</u>	<u>696,534</u>	<u>1,372,696</u>	<u>44,837</u>	<u>72,633</u>	<u>6,431,919</u>
Depreciation							
At 1 May 2020	56,908	1,593,829	455,334	941,257	44,837	-	3,092,165
Charge for the period on owned assets	14,227	340,379	81,642	126,572	-	8,474	571,294
At 25 April 2021	<u>71,135</u>	<u>1,934,208</u>	<u>536,976</u>	<u>1,067,829</u>	<u>44,837</u>	<u>8,474</u>	<u>3,663,459</u>
Net book value							
At 25 April 2021	<u>575,217</u>	<u>1,664,659</u>	<u>159,558</u>	<u>304,867</u>	<u>-</u>	<u>64,159</u>	<u>2,768,460</u>
At 30 April 2020	<u>654,444</u>	<u>1,839,615</u>	<u>160,604</u>	<u>431,439</u>	<u>-</u>	<u>-</u>	<u>3,086,102</u>

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

13. Tangible fixed assets (continued)

The directors appointed Fleurets Leisure Property Specialists as an independent expert who independently valued the freehold property at £650,000 as at 30 April 2020. The directors have used the independent expert's report to determine the fair value of the freehold property as at the year end.

The independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to the valuation of the freehold property than would normally be the case. The directors have considered the material valuation uncertainty included in the independent expert's report, and while less certainty and a higher degree of caution needs to be attached to the valuation, the valuation can still be relied upon. The directors therefore consider the valuation included in the independent experts report to be an accurate reflection of the freehold property's fair value.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	25 April 2021 £	<i>30 April 2020 £</i>
Motor vehicles	64,159	-

14. Stocks

	25 April 2021 £	<i>30 April 2020 £</i>
Finished goods and goods for resale	118,931	125,782

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

15. Debtors

	25 April 2021 £	30 April 2020 £
Due after more than one year		
Rent deposits	41,490	74,240
	<hr/>	<hr/>
	25 April 2021 £	30 April 2020 £
Due within one year		
Other debtors - Coronavirus job retention scheme	174,125	275,883
Other debtors	45,545	62,698
Unpaid share capital	-	400,000
Prepayments and accrued income	230,195	157,752
	<hr/>	<hr/>
	449,865	896,333
	<hr/>	<hr/>

16. Cash and cash equivalents

	25 April 2021 £	30 April 2020 £
Cash at bank and in hand	757,415	-
Less: bank overdrafts	-	(5,823)
	<hr/>	<hr/>
	757,415	(5,823)
	<hr/>	<hr/>

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

17. Creditors: Amounts falling due within one year

	25 April 2021	30 April 2020
	£	£
Bank overdrafts	-	5,823
Bank loans	215,668	1,205,599
CBILS loans	47,400	-
Trade creditors	660,666	635,385
Shareholder and related party loan	3,247,197	3,253,300
Wages and salaries	92,068	229,958
Obligations under finance lease	13,757	-
Taxation and social security	264,170	333,939
Accruals and deferred income	418,316	262,801
	4,959,242	5,926,805

18. Creditors: Amounts falling due after more than one year

	25 April 2021	30 April 2020
	£	£
Bank loans	942,617	-
CBILS loans	268,600	-
Obligation under finance leases	56,967	-
	1,268,184	-

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

19. Loans

Analysis of the maturity of loans is given below:

	25 April 2021 £	<i>30 April 2020 £</i>
Amounts falling due within one year		
Bank loans	215,668	1,205,599
CBILS loans	47,400	-
Amounts falling due 2-5 years		
Bank loans	942,617	-
CBILS loans	268,600	-
	<u>1,474,285</u>	<u>1,205,599</u>

20. Finance lease obligations

The future minimum finance lease payments are as follows:

	25 April 2021 £	<i>30 April 2020 £</i>
Not later than 1 year	13,757	-
Later than one year and not later than five years	56,967	-
	<u>70,724</u>	<u>-</u>

Obligations under finance leases are secured against the assets to which they relate.

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

21. Provisions

	Onerous lease provision £	Dilapidation provision £	Total £
At 1 May 2020	433,177	88,975	522,152
Reversals	(329,836)	-	(329,836)
Additions	-	21,659	21,659
At 25 April 2021	103,341	110,634	213,975

22. Share capital

	25 April 2021 £	30 April 2020 £
Allotted, called up and fully paid		
111,111 (2020: 111,111) Ordinary shares of £1.00 each	111,111	111,111

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

23. Reserves**Share premium account**

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

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

24. 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 £34,085 (2020: £49,642). Contributions totalling £1,330 (2020: £26,310) were payable to the fund at the balance sheet date and are included in creditors.

GASTRO PUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

25. Commitments under operating leases

At 25 April 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	25 April 2021 £	<i>30 April 2020 £</i>
Not later than 1 year	527,411	<i>404,444</i>
Later than 1 year and not later than 5 years	2,268,000	<i>1,608,000</i>
Later than 5 years	5,609,221	<i>4,835,365</i>
	<u>8,404,632</u>	<i><u>6,847,809</u></i>

26. Related party transactions

A close family member of one of the directors was paid total gross emoluments of £Nil during the period (2020: £148,208).

Share issue of 11,111 ordinary shares amounting to £400,000 was made in the prior year to UK Private Healthcare Limited, a company owned by one of the directors.

27. Controlling party

D G Chappell, a director, is the majority shareholder and therefore controls the company.