

**Unaudited Financial Statements for the Year Ended 31 May 2020**

**for**

**A & J Inns Limited**

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for the Year Ended 31 May 2020**

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Balance Sheet  
31 May 2020

	Notes	31.5.20		31.5.19 as restated	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	4		-		-
Tangible assets	5		<u>2,145,590</u>		<u>2,263,895</u>
			<b>2,145,590</b>		<b>2,263,895</b>
<b>CURRENT ASSETS</b>					
Stocks		<b>184,524</b>		183,781	
Debtors	6	<b>410,196</b>		208,742	
Cash at bank and in hand		<u>174,729</u>		<u>143,382</u>	
		<b>769,449</b>		<b>535,905</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	7	<u>697,825</u>		<u>809,220</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u><b>71,624</b></u>		<u><b>(273,315)</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>2,217,214</b>		<b>1,990,580</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	8		<b>(772,120)</b>		<b>(635,443)</b>
<b>PROVISIONS FOR LIABILITIES</b>			<u><b>(149,446)</b></u>		<u><b>(55,351)</b></u>
<b>NET ASSETS</b>			<u><b>1,295,648</b></u>		<u><b>1,299,786</b></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			<b>1,000</b>		<b>1,000</b>
Retained earnings			<u><b>1,294,648</b></u>		<u><b>1,298,786</b></u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>1,295,648</b></u>		<u><b>1,299,786</b></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2020 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

**Balance Sheet - continued**  
**31 May 2020**

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director and authorised for issue on 28 May 2021 and were signed by:

A Lumb - Director

**Notes to the Financial Statements  
for the Year Ended 31 May 2020**

1. **STATUTORY INFORMATION**

A & J Inns Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address are as below:

**Registered number:** 03372375  
**Registered office:** New Hold Industrial Estate  
Aberford Road  
Garforth  
Leeds  
West Yorkshire  
LS25 2HL

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going concern**

The Directors have considered the risks and uncertainties arising from the coronavirus pandemic which began to take effect on a global scale in February 2020, and which directly impacted the company in the current reporting year as a result of the original mandatory UK lockdown which commenced 23 March 2020.

Throughout the remainder of 2020 the company continued to be affected by government-imposed lockdowns and the continuing restrictions on social distancing. The third and most recent national lockdown commenced on 5 January 2021 is now being eased in accordance with the UK Government roadmap out of lockdown, which has from 12 April 2021 allowed some of the company's venues to reopen where outdoor hospitality can be provided, and from 17 May 2021 allowed indoor hospitality to recommence, and more critically the UK is moving towards the date from which nightclub venues can reopen (June 21).

The company has had sufficient financial resource throughout the period from March 2020 to date to see it through these very difficult times. To assist the company in this respect, the company has taken advantage of all of the Governmental financial support available to it, and has been supported by its bankers, who agreed to significant capital repayment holidays as described in note 13 to the financial statements (subsequent events).

Consumers are already demonstrating a strong willingness to return to venues which provide hospitality, and the company can only now see this accelerating when indoor hospitality recommences. On the basis of such strong evidence of the return of consumer demand in the UK, and an assessment of the current financial position of the company, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore the company continues to adopt the going concern basis of preparing these financial statements.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of goods is recognised when goods are delivered and legal title passes.

**Goodwill**

Goodwill is amortised over a period of 5 years.

Notes to the Financial Statements - continued  
for the Year Ended 31 May 2020

2. ACCOUNTING POLICIES - continued

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Leasehold improvements	- 2% on cost
Improvements to property	- 20% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on reducing balance

Tangible fixed assets held for the company's own use are stated at cost less accumulated depreciation and accumulated impairment losses.

At each balance sheet date the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss.

**Stocks**

Stocks of consumable trading stock in the licenced public premises and storage warehouse are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Deferred tax**

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

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

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

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

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

Notes to the Financial Statements - continued  
for the Year Ended 31 May 2020

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 90 (2019 - 104) .

4. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 June 2019 and 31 May 2020	<u>130,000</u>
<b>AMORTISATION</b>	
At 1 June 2019 and 31 May 2020	<u>130,000</u>
<b>NET BOOK VALUE</b>	
At 31 May 2020	<u><u>-</u></u>
At 31 May 2019	<u><u>-</u></u>

5. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Improvements to property £
<b>COST</b>			
At 1 June 2019	2,304,243	212,143	800,829
Additions	-	-	-
Disposals	-	-	-
At 31 May 2020	<u>2,304,243</u>	<u>212,143</u>	<u>800,829</u>
<b>DEPRECIATION</b>			
At 1 June 2019	494,300	14,622	800,829
Charge for year	45,885	4,243	-
Eliminated on disposal	-	-	-
At 31 May 2020	<u>540,185</u>	<u>18,865</u>	<u>800,829</u>
<b>NET BOOK VALUE</b>			
At 31 May 2020	<u><u>1,764,058</u></u>	<u><u>193,278</u></u>	<u><u>-</u></u>
At 31 May 2019	<u><u>1,809,943</u></u>	<u><u>197,521</u></u>	<u><u>-</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 31 May 2020

5. TANGIBLE FIXED ASSETS - continued

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 June 2019	195,065	642,442	57,355	4,212,077
Additions	2,600	1,563	28,855	33,018
Disposals	-	-	(27,805)	(27,805)
At 31 May 2020	<u>197,665</u>	<u>644,005</u>	<u>58,405</u>	<u>4,217,290</u>
<b>DEPRECIATION</b>				
At 1 June 2019	119,674	491,966	26,791	1,948,182
Charge for year	29,072	47,690	8,195	135,085
Eliminated on disposal	-	-	(11,567)	(11,567)
At 31 May 2020	<u>148,746</u>	<u>539,656</u>	<u>23,419</u>	<u>2,071,700</u>
<b>NET BOOK VALUE</b>				
At 31 May 2020	<u>48,919</u>	<u>104,349</u>	<u>34,986</u>	<u>2,145,590</u>
At 31 May 2019	<u>75,391</u>	<u>150,476</u>	<u>30,564</u>	<u>2,263,895</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
<b>COST</b>	
At 1 June 2019	27,805
Additions	28,855
Disposals	(27,805)
At 31 May 2020	<u>28,855</u>
<b>DEPRECIATION</b>	
At 1 June 2019	7,820
Charge for year	5,550
Eliminated on disposal	(11,567)
At 31 May 2020	<u>1,803</u>
<b>NET BOOK VALUE</b>	
At 31 May 2020	<u>27,052</u>
At 31 May 2019	<u>19,985</u>



Notes to the Financial Statements - continued  
for the Year Ended 31 May 2020

6.	<b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>31.5.20</b>	31.5.19 as restated
		£	£
	Trade debtors	36,665	22,193
	Amounts owed by associates	64,900	38,510
	Other debtors	<u>308,631</u>	<u>148,039</u>
		<u><b>410,196</b></u>	<u><b>208,742</b></u>
7.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>31.5.20</b>	31.5.19 as restated
		£	£
	Bank loans and overdrafts	8,107	73,288
	Hire purchase contracts	5,244	5,084
	Trade creditors	370,047	440,342
	Taxation and social security	226,340	211,152
	Other creditors	<u>88,087</u>	<u>79,354</u>
		<u><b>697,825</b></u>	<u><b>809,220</b></u>
8.	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>31.5.20</b>	31.5.19 as restated
		£	£
	Bank loans	494,403	438,050
	Hire purchase contracts	16,633	8,896
	Other creditors	<u>261,084</u>	<u>188,497</u>
		<u><b>772,120</b></u>	<u><b>635,443</b></u>
	Amounts falling due in more than five years:		
	Repayable by instalments		
	Bank loan due in over 5 years	39,062	116,078
	Other loans more 5yrs instal	<u>83,231</u>	<u>103,632</u>
		<u><b>122,293</b></u>	<u><b>219,710</b></u>

Notes to the Financial Statements - continued  
for the Year Ended 31 May 2020

9. SECURED DEBTS

The following secured debts are included within creditors:

	31.5.20	31.5.19 as restated
	£	£
Bank loans	496,665	511,338
Carlsberg UK Limited loan	<u>77,481</u>	<u>85,918</u>
	<u>574,146</u>	<u>597,256</u>

The company's bankers have secured their debt as follows:

1. First legal charge over the freehold property known as 13 Beastfair, Pontefract.
2. First legal charge over the freehold property known as Bar 12, 12 Shoe Fair, Pontefract.
3. First legal charge over the freehold property known as JR Amusements, Mill Lane, Skipsea.
4. First legal charge over the freehold property known as The Jug Inn, Chapel Haddlessey, Selby.
5. First legal charge over the freehold property known as Three Acres, Bingley Road, Lees Moor, Keighley.
6. First legal charge over the leasehold property known as Castleford Liberal WMC, 1 Powell St, Castleford.
7. Unlimited cross guarantee between A & J Inns Limited and L & C Leisure Limited.
8. Debenture over all assets of the Company.

Carlsberg UK Limited have secured the company's debt as follows:

1. Fixed and floating charges over the freehold licensed premises known as The Redoubt Inn, 28 Horbury Road, Wakefield.

10. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 May 2020 and 31 May 2019:

	31.5.20	31.5.19 as restated
	£	£
<b>A Lumb</b>		
Balance outstanding at start of year	(25,765)	(36,340)
Amounts advanced	858,140	249,017
Amounts repaid	(659,677)	(238,442)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>172,698</u>	<u>(25,765)</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 May 2020

11. **SUBSEQUENT EVENTS**

**Banking facilities**

The company's bankers agreed on 30 September 2020 to extend the capital repayment holiday originally agreed in March 2020 for a further 6 month period as a result of the continuing impact of COVID 19 on the hospitality sector. On expiration of the capital repayment holidays the company arranged a CBILS loan which was used to (a) repay the bounce back loan and (b) provide working capital.

**Settlement with HMRC**

The company entered into a binding settlement agreement with HMRC in relation to the historic use of Employee Benefit Trust arrangements. The settlement figure agreed is £113,347 and this has been recognised as a liability at the financial reporting date (and prior year financial reporting date - see note 5). The terms of the settlement arrangement are such that payment is by instalments over a period of 10 years.

**Settlement of legal claims**

The company entered into binding settlement agreements in respect of legal claims which arose prior to the financial reporting date. Provision for damages and legal costs in relation to these settled claims has been provided for in the sum of £102,921.

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