

WE ARE BAR GROUP LIMITED

**GROUP STRATEGIC REPORT, DIRECTORS' REPORT & CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 27 September 2020

**PSB Accountants Limited
Chartered Certified Accountants
Jubilee House
Townsend Lane
London
NW9 8TZ**

WE ARE BAR GROUP LIMITED
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FOR THE YEAR ENDED 27 SEPTEMBER 2020

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**WE ARE BAR GROUP LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 27 SEPTEMBER 2020**

DIRECTORS:

Roger Payne
Simon Vardigans

REGISTERED OFFICE:

Jubilee House
Townsend Lane
Kingsbury
London
NW9 8TZ

REGISTERED NUMBER:

06626201 (England and Wales)

ACCOUNTANTS:

PSB Accountants Limited
Jubilee House
Townsend Lane
London
NW9 8TZ

WE ARE BAR GROUP LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 27 SEPTEMBER 2020

The directors present their strategic report for the year ended 27 September 2020.

Business review

At the beginning of the year the group operated 9 bar & restaurant venues, During the year the group took on the assignment of a lease for *Balls Brothers Adams Court* on 30 November 2019 (trading from 2 December 2019 and subsequently renamed *Jamies Adams Court*) while the lease for *Jamies London Wall* came to an end on 24 March 2020 and the extended lease for *We Are Bar Bishopsgate* terminated on 1 January 2020.

The group's last day of trading before closing its venues, as a result of Covid-19 and government pronouncements affecting the hospitality industry, was 18 March 2020. After a short period of experimental reopening in summer / autumn 2020, all venues have remained closed and staff have been furloughed until September 2021.

The group continues to benefit from a business rates holiday and has taken advantage of the ability to defer VAT and other amounts due to HMRC (although these are shortly coming to an end); however, it has been unable to access the government's CBIL or BBL schemes or secure a claim under its insurance policy for business interruption. The group has no bank facilities and is therefore wholly supported by its shareholders.

Corporate Matters

During the year end the group received a further interest free unsecured loan of £56,000 from Hector Capital Limited, taking its total interest free unsecured loan to £355,000, and undertook a restructuring of its debt by converting the interest free unsecured loan of £355,000 together with £355,000 of B Loan Notes into a new class of Preferred Shares of £1 each and adopted new Articles of Association. On the same date, the group amended the terms of its loan notes to: rename the A1 Loan Notes as A Secured Loan Notes 2025 ("A Loan Notes"), increase the number of such A Loan Notes that it can issue or reissue and vary their rights (including making them interest bearing at a rate of 8% per annum calculated on a daily basis); remove reference to the A2 Loan Notes which had been repaid; and rename the B Loan Notes as Preferred Interest Free, Secured Loan Notes 2025 ("Preferred Loan Notes"), increase the number of such Preferred Loan Notes that it can issue or reissue and convert £595,000 of such notes into A Loan Notes. After the debt restructuring, all shareholder loans became redeemable on 31 December 2025.

The company's subsidiary, Kornicis Trading Limited, surrendered its last remaining lease in June 2019 and is no longer trading. During the year the company has provided in full against, but not written off, its intercompany receivable from Kornicis Trading Limited in the sum of £1,103,841.

Post Balance Sheet Events

On 30 November 2020, the company's creditors and shareholders approved a company voluntary arrangement ("CVA") which requires the company to pay contributions to the joint supervisors totalling £600,000 over 5 years. The CVA includes a provision for the implementation of a rent-free period on the company's property leases until the company resumes generating turnover and thereafter to be calculated on a site-by-site basis at 10% of turnover with an anticipated reversion to contractual levels by 31 March 2022 (or until such time that turnover has returned to within 10% of 2018/19 levels if later). The CVA included a provision allowing dissenting landlords to require the company to vacate any premises subject to a lease by giving notice within 28 days of the CVA; the company received one such notice in respect of *The Crosswall Minories* and has duly vacated the premises leaving the company with 7 remaining venues in the City of London.

WE ARE BAR GROUP LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 27 SEPTEMBER 2020

Post Balance Sheet Events (continued)

The group reopened its venues in September / October 2021 into a quiet trading environment as a result of significantly reduced footfall in the City of London; trading gradually improved through to December 2021 but customer demand was devastated 2 weeks before Christmas as a result of government pronouncements and all venues were closed shortly thereafter. Trading since reopening in January 2022 has again proved to be slow.

Key Performance Indicators

The group regularly monitors key performance indicators that it feels are appropriate. These include customer satisfaction, forward bookings, sales, customer service charges, gross margins, property costs, staff costs & tronc and other operating costs.

Principal Risks & Uncertainties

Credit Risk

The group believes that it has a low credit risk as it has few debtors in respect of its trading activities.

Liquidity Risk

The group seeks to manage liquidity risk by ensuring it has sufficient cash and liquid assets to meet foreseeable needs as forecast in the company's CVA. The group's principal liabilities at the date of this report (£715,000 of A Loan Notes and £7,450,000 Preferred Loan Notes) are redeemable on 31 December 2025 (or later under the terms of the CVA).

Interest Rate Risk

The group has no interest-bearing debt other than A Loan Notes which have a fixed non-compounding interest rate of 8%.

Economic Risk

The group's revenue is reliant on consumer spending, by both individual and corporate customers, and exposure to the financial sector in general in that all the group's venues are based in the City of London.

Seasonality & Weather Risk

The group is subject to seasonality & weather conditions which impact performance in different ways, such as: venues with & without outdoor spaces and the impact of adverse weather on travel and commuting decisions & timing.

Terrorism & Health Risk

The group's concentration of venues in the City of London likely makes it more susceptible to terrorism & health risks than a business operating in other locations. The group works with its insurance brokers to try to mitigate the likely financial impact of such risks to the extent they are foreseeable.

**WE ARE BAR GROUP LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 27 SEPTEMBER 2020**

Employees

The group's employment policy is to provide equal opportunity to all current and prospective employees without any discrimination and providing a work environment in which all individuals are treated with respect and dignity.

Social, Environment & Ethical Matters

The group believes that by operating in an ethical and socially aware manner, as part of efficient and profitable business management, will help preserve the environment. The directors recognise that success in these areas depends on the involvement and commitment of everyone in the organisation.

On behalf of the board

Simon Vardigans
Director
Date: 14 March 2022

WE ARE BAR GROUP LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 27 SEPTEMBER 2020

The directors present their report and financial statements of the company and the group for the year ended 27 September 2020.

Results & Dividends

During the year, the group generated revenues from its venues of £3,053,641 (2019: £6,759,207), generated an EBITDA loss (before interest, tax, depreciation, amortisation and exceptional items) of £825,634 (2019: loss of £133,679) and made an operating loss (before interest, tax and exceptional items) of £1,003,398 (2019: loss of £845,032). The directors do not recommend the payment of a dividend.

The group's loss for the year (after interest, tax and exceptional items) amounted to £1,391,112 (2019: loss of £673,928).

Directors

The directors of the company who served during the year were:

- Simon Vardigans
- Roger Payne

Directors' Responsibilities Statement

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

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

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

- select suitable accounting policies for the company's and the group's financial statements 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 and the group will continue in business.

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

The company was entitled to exemption from audit in the year under section 477 of the Companies Act 2006 relating to small companies.

On behalf of the board

Simon Vardigans

Director

Date: 14 March 2022

WE ARE BAR GROUP LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 27 SEPTEMBER 2020

	Notes	Year ended 27.9.20 £	Year ended 29.9.19 £
TURNOVER		3,053,641	6,759,207
Cost of sales		(912,140)	(1,659,583)
GROSS PROFIT		2,141,501	5,099,624
Other operating income		16,859	38,831
		2,158,360	5,138,455
Administrative expenses		(3,663,191)	(5,272,134)
Government grants		679,197	-
EBITDA		(825,634)	(133,679)
Depreciation & amortisation		(177,664)	(711,353)
OPERATING LOSS	4	(1,003,298)	(845,032)
Exceptional items	5	(368,748)	183,878
		(1,372,046)	(661,154)
Interest receivable & similar income		208	1,510
Interest payable & similar expenses	6	(19,274)	(3,319)
LOSS BEFORE TAXATION		(1,391,112)	(662,963)
Taxation	7	-	(10,965)
LOSS FOR THE FINANCIAL YEAR		<u>(1,391,112)</u>	<u>(673,928)</u>

There were no recognised gains and losses for the year (2019: nil) other than those included within the Consolidated Income Statement.

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 27 SEPTEMBER 2020

	Year ended 27.9.20 £	Year ended 29.9.19 £
LOSS FOR THE YEAR	(1,391,112)	(673,928)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(1,391,112)	(673,928)
Total comprehensive income attributable to: Shareholders of the company	(1,391,112)	(673,928)

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
CONSOLIDATED BALANCE SHEET
27 SEPTEMBER 2020

	Notes	27.9.20 £	£	29.9.19 £	£
FIXED ASSETS					
Intangible assets	9		-		30,073
Tangible assets	10		236,611		546,087
			236,611		576,160
CURRENT ASSETS					
Stocks	12	27,925		108,851	
Debtors	13	405,580		515,985	
Cash at bank and in hand		88,029		239,594	
		521,534		864,430	
CREDITORS					
Amounts falling due within one year	14	(1,646,532)		(993,865)	
NET CURRENT LIABILITIES			(1,124,998)		(129,435)
TOTAL ASSETS LESS CURRENT LIABILITIES			(888,387)		446,725
CREDITORS					
Amounts falling due after more than one year	15		(8,165,000)		(8,819,000)
NET LIABILITIES			<u>(9,053,387)</u>		<u>(8,372,275)</u>
CAPITAL AND RESERVES					
Called up share capital	16		7,210,000		6,500,000
Retained earnings	17		<u>(16,263,387)</u>		<u>(14,872,275)</u>
SHAREHOLDERS' FUNDS			<u>(9,053,387)</u>		<u>(8,372,275)</u>

The financial statements were approved by the board of directors and authorised for issue on 14 March 2022 and were signed on its behalf by:

.....
Simon Vardigans
Director

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
COMPANY BALANCE SHEET
27 September 2020

	Notes	27.9.20 £	£	29.9.19 £	£
FIXED ASSETS					
Intangible assets	9		-	30,073	
Tangible assets	10		236,611	546,087	
Investments	11		<u>4</u>	<u>4</u>	
			236,615	576,164	
CURRENT ASSETS					
Stocks	12	27,925		108,851	
Debtors	13	405,580		1,619,826	
Cash at bank and in hand		<u>88,029</u>		<u>239,594</u>	
		521,534		1,968,271	
CREDITORS					
Amounts falling due within one year	14	<u>(1,646,534)</u>		<u>(993,867)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>(1,125,000)</u>	<u>974,404</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			(888,385)	1,550,568	
CREDITORS					
Amounts falling due after more than one year	15		<u>(8,165,000)</u>	<u>(8,819,000)</u>	
NET LIABILITIES			<u><u>(9,053,385)</u></u>	<u><u>(7,268,432)</u></u>	
CAPITAL AND RESERVES					
Called up share capital	16		7,210,000	6,500,000	
Retained earnings	17		<u>(16,263,385)</u>	<u>(13,768,432)</u>	
SHAREHOLDERS' FUNDS			<u><u>(9,053,385)</u></u>	<u><u>(7,268,432)</u></u>	
Company profit / (loss) for the financial year			<u><u>(2,494,953)</u></u>	<u><u>(397,360)</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 14 March 2022 and were signed on its behalf by:

.....
Simon Vardigans
Director

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 27 SEPTEMBER 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 29 September 2018	6,500,000	(14,198,347)	(7,698,347)
Changes in equity			
Total comprehensive income	-	(673,928)	(673,928)
Balance at 29 September 2019	6,500,000	(14,872,275)	(8,372,275)
Changes in equity			
Total comprehensive income	710,000	(1,391,112)	(681,112)
Balance at 27 September 2020	7,210,000	(16,263,387)	(9,053,387)

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 27 SEPTEMBER 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 29 September 2018	6,500,000	(13,371,072)	(6,871,072)
Changes in equity			
Total comprehensive income	-	(397,360)	(397,360)
Balance at 29 September 2019	6,500,000	(13,768,432)	(7,268,432)
Changes in equity			
Total comprehensive income	710,000	(2,494,953)	(1,784,953)
Balance at 27 September 2020	7,210,000	(16,263,385)	(9,053,385)

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 27 SEPTEMBER 2020

	Year ended 27.9.20 £	Year ended 29.9.19 £
Operating activities		
Loss for the year	(1,391,112)	(673,928)
Taxation	-	10,965
Depreciation & amortisation	177,664	711,353
Interest payable	19,274	3,319
Interest receivable	(208)	(1,510)
Exceptional items	368,748	(183,878)
	<hr/>	<hr/>
EBITDA	(825,634)	(133,679)
Change in onerous lease provision	-	(145,570)
Change in stocks	80,926	(16,017)
Change in debtors	175,794	617,545
Change in creditors	771,456	(556,416)
Change in VAT	(203,392)	(21,522)
Exceptional restructuring costs	-	(159,222)
	<hr/>	<hr/>
Net cash from operating activities	(850)	(414,881)
Investing activities		
Interest received	208	1,510
Purchase of tangible fixed assets	(206,863)	(130,949)
Sale of tangible fixed assets	-	1,188,000
Exceptional disposal costs	-	(103,399)
	<hr/>	<hr/>
Net cash from investing activities	(206,655)	955,162
Financing activities		
Interest paid	(60)	(3,319)
Issue of secured shareholder loan notes	-	9,600,000
Redemption of secured shareholder loan notes	-	(1,080,000)
Unsecured shareholder loans received	56,000	299,000
Unsecured shareholder loans capitalised	(355,000)	-
Secured shareholder loan notes capitalised	(355,000)	-
Preferred shares issued	710,000	-
Change in unsecured shareholder loans	-	(9,804,466)
	<hr/>	<hr/>
Net cash from financing activities	55,940	(988,785)

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 27 SEPTEMBER 2020

	Year ended 27.9.20 £	Year ended 29.9.19 £
Opening cash & cash equivalents	239,594	688,098
Change in net cash in the year	(151,565)	(448,504)
Closing cash & cash equivalents	<u>88,029</u>	<u>239,594</u>

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 SEPTEMBER 2020

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax and customer service charges. The total turnover of the group for the year has been derived from the provision of goods and services falling within the group's principal activity as an operator of bar and restaurant venues.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable.

Intangible fixed assets

Intangible fixed assets are initially recognised at cost and thereafter measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Trademarks: Fully amortised
Goodwill: Fully amortised

Tangible fixed assets

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

Short leasehold property & improvements:	Length of lease on straight-line basis
Kitchen, restaurant, computer equipment & tills:	3 years on straight-line basis
Plant & machinery:	10 years on straight-line basis

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

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 27 SEPTEMBER 2020

2. ACCOUNTING POLICIES - continued

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks 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 & leasing commitments

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

Pension costs

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

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 27 SEPTEMBER 2020

3. EMPLOYEES & DIRECTORS

	Year ended 27.9.20	Year ended 29.9.19
	£	£
Wages and salaries	1,482,639	2,080,802
Social security costs	113,365	164,413
Other pension costs	32,501	49,682
	<u>1,628,505</u>	<u>2,294,897</u>

The average number of employees was as follows:

	Year ended 27.9.20	Year ended 29.9.19
Head office & operational management	18	16
Bar & restaurant employees	32	62
	<u>50</u>	<u>78</u>

	Year ended 27.9.20	Year ended 29.9.19
	£	£
Directors' remuneration	-	-

Directors were remunerated by Hector Capital Limited and Hospitality Plus Consulting Limited in respect of management services provided to the group.

4. OPERATING LOSS

The operating loss is stated after charging:

	Year ended 27.9.20	Year ended 29.9.19
	£	£
Hire of plant & machinery	19,920	10,238
Property lease rentals	737,851	965,508
Depreciation - tangible fixed assets (owned)	175,425	498,051
Amortisation - intangible fixed assets	2,239	213,302
Auditors' remuneration	-	7,500
Auditors' remuneration for non-audit work	-	35,202
Foreign exchange differences	236	1,075

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 27 SEPTEMBER 2020

5. EXCEPTIONAL ITEMS

	Year ended 27.9.20	Year ended 29.9.19
	£	£
Disposal of leasehold property	(259,753)	714,678
Closure of head office	-	(15,963)
Disposal of plant & machinery	(81,161)	(170,847)
Disposal of brands & trademarks	(27,834)	(81,369)
Disposal costs	-	(103,399)
Restructuring costs	-	(159,222)
	<u>(368,748)</u>	<u>183,878</u>

6. INTEREST PAYABLE & SIMILAR EXPENSES

	Year ended 27.9.20	Year ended 29.9.19
	£	£
Bank interest	60	3,319
Shareholder loan interest	19,214	-
	<u>19,274</u>	<u>3,319</u>

7. TAXATION

	Year ended 27.9.20	Year ended 29.9.19
	£	£
Corporation tax	-	-
Deferred tax	-	(10,965)
	<u>-</u>	<u>(10,965)</u>

8. INDIVIDUAL INCOME STATEMENT

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

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 27 SEPTEMBER 2020

9. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Trademarks £	Totals £
COST			
At 29 September 2019	630,321	1,875,417	2,505,738
Adjustments	-	2,527	2,527
Disposals	-	(85,156)	(85,156)
At 27 September 2020	630,321	1,792,788	2,423,109
AMORTISATION			
At 29 September 2019	630,321	1,845,344	2,475,655
Adjustments	-	7,552	7,552
Charge for year	-	2,239	2,239
Disposals	-	(62,347)	(62,347)
At 27 September 2020	630,321	1,792,788	2,423,109
NET BOOK VALUE			
At 27 September 2020	-	-	-
At 29 September 2019	-	-	-
Company	Goodwill £	Trademarks £	Totals £
COST			
At 29 September 2019	532,075	1,113,417	1,645,492
Adjustments	-	2,527	2,527
Disposals	-	(85,156)	(85,156)
At 27 September 2020	532,075	1,030,788	1,562,863
AMORTISATION			
At 29 September 2019	532,075	1,083,344	1,615,419
Adjustments	-	7,552	7,552
Charge for year	-	2,239	2,239
Disposals	-	(62,347)	(62,347)
At 27 September 2020	532,075	1,030,788	1,562,863
NET BOOK VALUE			
At 27 September 2020	-	-	-
At 29 September 2019	-	-	-

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 27 SEPTEMBER 2020

10. TANGIBLE FIXED ASSETS

Group

	Short leaseholds £	Property improvements £	Plant & machinery £	Totals £
COST				
At 29 September 2019	1,648,570	662,848	1,484,647	3,796,065
Adjustments	115,840	(97,166)	(4,149)	14,525
Additions	164,549	20,822	21,492	206,863
Disposals	(908,874)	(374,024)	(458,603)	(1,741,501)
At 27 September 2020	1,020,085	212,480	1,043,387	2,275,952
DEPRECIATION				
At 29 September 2019	1,474,898	471,043	1,304,037	3,249,978
Adjustments	137,573	(41,218)	(4,429)	91,926
Charge for year	102,008	21,248	52,169	175,425
Disposals	(838,732)	(262,094)	(377,162)	(1,477,988)
At 27 September 2020	875,747	188,979	974,615	2,039,341
NET BOOK VALUE				
At 27 September 2020	144,338	23,501	68,772	236,611
At 29 September 2019	173,672	191,805	180,610	546,087

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 27 SEPTEMBER 2020

10. TANGIBLE FIXED ASSETS - continued

Company

	Short leaseholds £	Property improvements £	Plant & machinery £	Totals £
COST				
At 29 September 2019	1,648,570	662,848	1,484,647	3,796,065
Adjustments	115,840	(97,166)	(4,149)	14,525
Additions	164,549	20,822	21,492	206,863
Disposals	(908,874)	(374,024)	(458,603)	(1,741,501)
At 27 September 2020	1,020,085	212,480	1,043,387	2,275,952
DEPRECIATION				
At 29 September 2019	1,474,898	471,043	1,304,037	3,249,978
Adjustments	137,573	(41,218)	(4,429)	91,926
Charge for year	102,008	21,248	52,169	175,425
Disposals	(838,732)	(262,094)	(377,162)	(1,477,988)
At 27 September 2020	875,747	188,979	974,615	2,039,341
NET BOOK VALUE				
At 27 September 2020	144,338	23,501	68,772	236,611
At 29 September 2019	173,672	191,805	180,610	546,087

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 27 SEPTEMBER 2020

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 29 September 2019 and 27 September 2020	4
NET BOOK VALUE	
At 27 September 2020	<u>4</u>
At 29 September 2019	<u>4</u>

The company's investments at the balance sheet date in the share capital of group companies are as follows:

Name	Class of shares	Percentage holding	Principal activity
Kornicis Trading Limited	Ordinary	100 %	Non-trading
Paperpaint Limited	Ordinary	100 %	Non-trading
Kornicis Properties Limited	Ordinary	100 %	Non-trading
Kornicis Investments Limited	Ordinary	100 %	Non-trading

12. STOCKS

	Group		Company	
	27.9.20	29.9.19	27.9.20	29.9.19
	£	£	£	£
Raw materials	27,925	108,851	27,925	108,851

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 27 SEPTEMBER 2020

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	27.9.20	29.9.19	27.9.20	29.9.19
	£	£	£	£
Trade debtors	-	16,914	-	16,914
Other debtors	-	-	-	-
Rent deposits	215,237	138,738	215,237	138,738
Amounts owed by group undertakings	-	-	-	1,103,841
Deferred tax	-	-	-	-
VAT	65,389	-	65,389	-
Prepayments	124,954	360,333	129,954	360,333
	<u>405,580</u>	<u>515,985</u>	<u>405,580</u>	<u>1,619,826</u>

The company's subsidiary, Kornicis Trading Limited, surrendered its last remaining lease in June 2019 and is no longer trading. During the year the company has provided in full against, but not written off, its intercompany receivable from Kornicis Trading Limited in the sum of £1,103,841.

Deferred tax

	Group		Company	
	27.9.20	29.9.19	27.9.20	29.9.19
	£	£	£	£
Opening balance	-	10,965	-	-
Charged / released in year	-	(10,965)	-	-
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 27 SEPTEMBER 2020

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	27.9.20	29.9.19	27.9.20	29.9.19
	£	£	£	£
Trade creditors	1,235,312	579,982	1,235,312	579,982
Customer deposits	-	33,673	-	33,673
Rent free periods	-	107,678	-	107,678
Shareholder loan note interest	19,214	-	19,214	-
Amounts owed to group undertakings	-	-	4	4
Social security & other taxes	197,055	41,680	197,055	41,680
Pension control	7,231	5,891	7,231	5,891
VAT	-	138,003	-	138,003
Net wages control	24,653	24,745	24,653	24,745
Gratuities & tronc control	53,410	35,681	53,410	35,681
Accrued expenses	109,657	26,532	109,655	26,530
	<u>1,646,532</u>	<u>993,865</u>	<u>1,646,534</u>	<u>993,867</u>

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

	Group		Company	
	27.9.20	29.9.19	27.9.20	29.9.19
	£	£	£	£
A1 Loan Notes	-	120,000	-	120,000
B Loan Notes	-	8,400,000	-	8,400,000
Interest free unsecured loan	-	299,000	-	299,000
A Loan Notes	715,000	-	715,000	-
Preferred Loan Notes	7,450,000	-	7,450,000	-
	<u>8,165,000</u>	<u>8,819,000</u>	<u>8,165,000</u>	<u>8,819,000</u>

During the year end the group received a further interest free unsecured loan of £56,000 from Hector Capital Limited, taking its total interest free unsecured loan to £355,000, and undertook a restructuring of its debt by converting the interest free unsecured loan of £355,000 together with £355,000 of B Loan Notes into a new class of Preferred Shares of £1 each and adopted new Articles of Association. On the same date, the group amended the terms of its loan notes to: rename the A1 Loan Notes as A Secured Loan Notes 2025 ("A Loan Notes"), increase the number of such A Loan Notes that it can issue or reissue and vary their rights (including making them interest bearing at a rate of 8% per annum calculated on a daily basis); remove reference to the A2 Loan Notes which had been repaid; and rename the B Loan Notes as Preferred Interest Free, Secured Loan Notes 2025 ("Preferred Loan Notes"), increase the number of such Preferred Loan Notes that it can issue or reissue and convert £595,000 of such notes into A Loan Notes. After the debt restructuring, all shareholder loans became redeemable on 31 December 2025.

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WE ARE BAR GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 27 SEPTEMBER 2020

16. CALLED UP SHARE CAPITAL

	27.9.20	29.09.19
Allotted, called up and fully paid		
2,437,500 Ordinary A1 shares of £1.00 each	2,437,500	2,437,500
812,500 Ordinary A2 shares of £1.00 each	812,500	812,500
3,250,000 Ordinary B shares of £1.00 each	3,250,000	3,250,000
710,000 Preferred shares of £1.00 each	710,000	-
	<u>7,210,000</u>	<u>6,500,000</u>

During the year the company converted the interest free unsecured loan of £355,000 together with £355,000 of B Loan Notes into a new class of Preferred Shares of £1 each and adopted new Articles of Association.

17. RETAINED EARNINGS

	Group		Company	
	27.9.20	29.9.19	27.9.20	29.9.19
	£	£	£	£
Opening balance	(14,872,275)	(14,198,347)	(13,768,432)	(13,371,072)
Profit / (loss) for the financial year	(1,391,112)	(673,928)	(2,494,953)	(397,360)
Closing balance	<u>(16,263,387)</u>	<u>(14,872,275)</u>	<u>(16,263,385)</u>	<u>(13,768,432)</u>

18. OPERATING LEASES

Future minimum rental payments under non-cancellable property leases fall due as follows:

	Group		Company	
	27.9.20	29.9.19	27.9.20	29.9.19
	£	£	£	£
Within one year	726,820	707,858	726,820	707,858
Between one and five years	2,675,520	2,123,574	2,675,520	2,123,574
In more than five years	3,402,340	3,557,460	3,402,340	3,557,460
	<u>6,804,680</u>	<u>6,388,892</u>	<u>6,804,680</u>	<u>6,388,892</u>

The terms of the company's CVA includes a provision for the application of turnover rents for a period of time which could alter the quantum and profile of property lease rental commitments disclosed above.

The notes form part of these financial statements

WE ARE BAR GROUP LIMITED
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19. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £32,501 (2019: £49,682). Accrued contributions at the year end were £7,231 (2019: £5,891).

20. RELATED PARTY TRANSACTIONS

During the year the group recharged expenses of £nil (2019: £202,899) to, and took a write off credit of £nil (2019: £1,567) from, Hector Capital Limited, a company controlled by Simon Vardigans, with. £nil (2019: £nil) outstanding at the balance sheet date.

During the year the group was charged management fees of £137,238 (2019: £108,523) by Hospitality Plus Consulting Limited, a company controlled by Roger Payne, with £18,966 (2019: £13,634) outstanding at the balance sheet date.

21. CONTROLLING PARTY

The company's shares are held equally by Hector Capital Limited (a company controlled by Simon Vardigans) and Roger & Lesley Payne. The company does not consider that there is a single controlling party.

The notes form part of these financial statements