

B Barkby Group Plc

We are Barkby.



We are Barkby.

We are built on a history of entrepreneurship and business acumen, with a focus on commercial property development and investment.

Relevant.

Barkby targets clear market opportunities with its adaptable property development business, which aligns to tenant demand.

Restless.

We are focused and committed to seeking out and securing opportunities to deliver value to all our stakeholders.

Respected.

We are built on a history of entrepreneurship and business acumen, recognised and trusted for our expertise and experience.



Revenue £10.3m



Pub company revenue £6.0m



Real Estate Profit After Tax

+£7.5m **+£3.3m** **£2.9m**

 For more details see **pg2**

 For more details see **pg8**

 For more details see **pg34**

 View the latest information at: www.barkbygroup.com

2022 highlights

Financial highlights

Revenue (£m)

£10.3m

(2021: £2.8 million)

2022	10.3
2021	2.8
Change	+7.5

Operating profit from continuing operations before impairment of goodwill

£1.6m

(2021: (£2.0 million))

2022	1.6
2021	-2.0
Change	+3.6

Loss for the year

(£9.5m)

(2021: (£4.4 million))

2022	-9.5
2021	-4.4
Change	-5.1

Net (decrease)/increase in cash (£m)

(£0.4m)

(2021: £1.0m)

2022	-0.4
2021	1.0
Change	-1.4

Basic earnings per share (pence)

(6.68)

(2021: (3.09))

2022	-6.68
2021	-3.09
Change	-3.59

Net assets/(liabilities) per share (pence)

(5.37)

(2021: 0.60)

2022	-5.37
2021	0.60
Change	-5.97

Operational highlights

Property Development

Activity has now resumed in our Real Estate. During the year we acquired land and commenced construction at our Wellingborough and Maldon schemes, which we intend to retain. We completed the sale of a residential housing site at Safron Walden for a profit of £2.3m.

Strategic Focus

To ensure focus is on core Property and Pub businesses, we are in the process of divesting of non-core investments as part of our post-COVID strategy. The disposals of Centurian Automotive, Workshop Coffee and Cambridge Sleep Sciences are in progress and are expected to complete within the next financial year.

Outlook

Our future focus is on building and scaling a substantial portfolio of modern ESG compliant real estate investments. It is anticipated that these sites will be primarily modern roadside developments with strong ESG credentials that are able to meet the increasing demand from retail outlets for drive through or out of town locations.

Trade in our pub business remains robust, however profitability is impacted by input cost inflation and labour shortages. We believe that further scale is required to maximise the opportunity in the pub business and are therefore considering the future strategy for Barkby Pubs.

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View the latest information at:
www.barkbygroup.com

Group at a Glance

Barkby focusses on its core businesses of Commercial Property Development and Investment and Barkby Pubs.

Relevant

Overview

Barkby Group Plc focuses on its Commercial Property Development business and intends to retain certain commercial property investments when completed. It also operates Barkby Pubs, 9 premium pubs located in the Cotswolds, Oxfordshire and West Sussex.

In addition to these businesses, Barkby also owns a number of smaller businesses in the hospitality, consumer and life sciences industries.

Barkby has resolved to sell Workshop Coffee, Cambridge Sleep Sciences and Centurian Automotive, therefore these businesses have been included in a disposal group.


Barkby's strategy is to accelerate and maximise the opportunities in its core business divisions of Commercial Property and Barkby Pubs, whilst completing the disposal of other group businesses.



Our businesses


Real Estate●

Our Real Estate business specialises in developing contract backed sites in the South East of England. The Company has a proven track record of sourcing and developing profitable commercial property projects. It is our intention to build and scale a substantial portfolio of modern roadside developments alongside our development business.

 For more details see **pg12**

Barkby Pub Company●


Barkby Pubs operates a portfolio of pubs that are renowned for their welcoming atmosphere located in the Cotswolds, Oxfordshire and West Sussex. We aim to deliver first class food, drink and accommodation, as well as a fabulous customer experience.

 For more details see **pg16**

Investments●

Barkby investments includes Workshop Coffee, Centurian Automotive and Cambridge Sleep Sciences.

The group is in the process of disposing of these businesses, which it expects to complete in the next financial year.

 For more details see **pg20**

Investment case

1. 2. 3.

Proven track record of sourcing and developing profitable commercial property projects in South East England.

The team has successfully completed over 20 schemes prior to Barkby ownership. We target a predictable EBITDA margin on each scheme of at least 20% with gross development value excluding land of between £3m and £20m. We retain a low overhead business model to maximise profits.

Strong long-term relationships with national occupiers across retail, quick food service and trade sectors. Recently signed tenants include Aldi, Costa Coffee, Greggs, Formula One Autocentres, Toolstation, Just Tyres, MKM Building Supplies and Sixt Car Rental.

A flexible approach enables Barkby to adapt to tenant requirements and maintain a robust future development pipeline.

A tenant-led approach allows Barkby to adapt quickly to changes in commercial property trends, whilst contractually agreeing all aspects of the development before committing.

Barkby aims to maintain a development pipeline totalling at least £30m gross development value. At present, Barkby has 5 active developments with gross development value of £30m within a pipeline in excess of £40m.

A key focus of our developments is the opportunity to install substantial EV charging facilities, in line with the rapid expansion of the EV charging network across the UK.

We continue to evaluate new opportunities and add to our development pipeline.

Opportunity to retain developments as part of a strategy to build and scale a portfolio of modern ESG compliant real estate assets.

Barkby has traditionally maintained a development pipeline totalling at least £30m gross development value. We are now looking to significantly scale our focused Roadside commercial property business and will aim to increase investments and developments to £200m over the next 12 months.

 For more details see pg12

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 For more details see pg10

4. 5. 6.

Award-winning Pub operator focused on premium pubs with rooms.

Barkby is a boutique pub operator focused on premium pubs with rooms located in Oxfordshire, Gloucestershire, Berkshire and West Sussex.

The portfolio has grown to nine premises. This follows the addition of The Coach & Horses, a 16th century village pub with 9 rooms located in Oxfordshire, and a tenancy agreement for The Eliot Arms in South Cerney. Both pubs have been extensively refurbished before reopening.

We continue to look for opportunities to acquire more pubs in future.

Demonstrated resilience during the pandemic and subsequent challenging economic climate.

Barkby has weathered the Covid-19 pandemic largely due to the support of its cash generative commercial property development business and working capital finance provided by its major shareholders.

Barkby has now streamlined its strategic focus, and is in the process of disposing of non-core businesses, which will enable all resources to be focussed on real estate and pubs.

Exceptional businesses driven by exceptional people.

The group's businesses are run by experienced and entrepreneurial management teams with a proven track record. However, the key to success is to attract and retain exceptional team members across the group.

We promote a culture that encourages and empowers our teams to succeed. Supporting the development of our people is at the core of Barkby's operating ethos and is expected from every member of the Barkby team.

 For more details see p16

 For more details see pg10

 For more details see pg36

Executive Chairman's statement



Charles Dickson

Executive Chairman

Focused on scaling our established real estate business with a particular focus on ESG compliant roadside developments.



Strong opportunity to expand our commercial property expertise to become a successful Roadside real estate asset manager.”

Aim to increase investments and developments to

£200m

Current Pub Estate:

9 pubs with rooms

Introduction to Governance

The Chairman's Introduction to governance has been provided at the start of the Governance Report.

 **For more details see pg34**

I am pleased to report that Barkby has enjoyed a record year in terms of revenue and EBITDA, with the Group benefitting from the easing of COVID restrictions and a resulting swing back to EBITDA profitability.

Strategic Focus

We listed on AIM in January 2020, just before the start of the COVID-19 pandemic and have had our first two years as a listed business heavily disrupted by this.

As we emerged from this period, we refocused our resources on scaling our existing and established real estate business, with a particular focus on ESG compliant roadside developments in the form of drive-thru's, trade counter, last mile logistics, convenience food and light industrial commercial buildings. To stream line this focus, we are in the process of exiting our non-core assets and businesses over the coming months.

Our property development business has been active, with our Wellingborough development nearing completion and construction under way at Maldon. We have also exchanged contracts to acquire land for a 30,000 sq ft development in Swindon. During the year we sold a residential development site for £3.5m, realising a profit of £2.3m.

Our pub business has now grown to 9 sites, including the acquisition of The Coach & Horses in Chiselhampton. This pub has been sympathetically refurbished and offers customers a high-class drinking, dining and sleeping experience.

Due to macro-economic factors, we have significantly increased the cost of capital assumption used in our impairment tests. This has resulted in the intangible goodwill that arose on the acquisition of our pub business being written down, despite a positive performance from the underlying business in the year.

Outlook

Despite further economic challenges, we believe there is a strong opportunity to expand our commercial property expertise to become a successful Roadside real estate asset manager. This strategy would see Barkby retain its own commercial property developments as well as identifying buying opportunities in the changing UK property investment market.

Underlying demand for our traditional pub experience also remains strong, despite cost of living and input cost pressures. We believe there will be good opportunities to acquire further pubs that are within our operating criteria, and are considering the future strategy for Barkby Pubs.

Finally, I would once again like to recognise our most important attribute, our people, who have demonstrated solidarity and commitment across the group. Despite substantial changes within the business, and the impact of events outside our control, I have been hugely impressed and proud of the attitudes shown across all Barkby teams. I have full belief and confidence in our teams and their ability to deliver the group's potential for success.



Charles Dickson

Executive Chairman
29 December 2022

Our Approach

We are focused and committed to seeking out new opportunities and delivering value to all our stakeholders.

Restless

Overview

Barkby has a clear and focussed strategy with the following aims:

- Accelerate and maximise opportunities within the Group's established commercial property development business.
- Retain real estate assets to strengthen the balance sheet and provide recurring income.
- Acquire new Real Estate assets that meet our specified criteria of Roadside investments with strong ESG credentials.
- Develop Barkby Pubs to maximise shareholder value over the medium term.
- Divest of other investments to maximise shareholder value and enable absolute focus on the Real Estate opportunities.

Barkby Ethos

Customer Focus.

An emphasis of our businesses is to provide exceptional customer focus, care and service.

This approach is a distinguishing feature of our tenant-led property development business and is at the heart of our hospitality business.

Premium quality.

Understanding what it takes to successfully provide a premium product and experience is a consistent area of expertise across the Barkby Group.

Enable and empower teams.

The diverse experience of our teams provides unique insight and skills for the benefit of the overall group.

Our open culture promotes shared expertise, support and honest feedback across a flat organisational structure.

Business and Financial Review

In 2022 Barkby focussed on developing the growth opportunities in its core Real Estate business.



The 2022 results include the trading results of Real Estate and Barkby Pubs as continuing operations for the 52 week period to 2 July 2022. The other Barkby businesses are accounted for as discontinued operations in accordance with the strategic decision to exit these companies.”

The commercial property development pipeline progressed significantly during the year, with two schemes now under construction and the completion of the sale of a residential site for £3.5m.

Barkby has traditionally maintained a development pipeline totaling at least £30m gross development value. We are now looking to significantly scale our focused Roadside commercial property business and will aim to increase investments and developments to £200m over the next 12 months.

As we are in the process of restructuring the group, including the disposal of Centurian Automotive, Workshop Coffee and Cambridge Sleep sciences, we have also reviewed our support functions to ensure they are appropriate for the group going forward.

Our pub business acquired two new sites during the year and has subsequently signed a tenancy agreement for the Eliot Arms in South Cerney. This brings the total number of pubs operated to 9. Transaction levels have remained in line with expectations; however we have had to balance rising input costs, labour market shortages and selling prices against a delicate background of consumer confidence.

Revenue by entity	2022	2021
Real Estate	£4.3m	£0.1m
Barkby Pubs	£6.0m	£2.7m
Workshop Coffee (discontinued)	£1.5m	£1.2m
Centurian Automotive (discontinued)	£7.5m	£11.0m
Other	£0.2m	£0.1m
Total	£19.5m	£15.1m



The Coach & Horses, Chiselhampton

Two new pubs were acquired during the year, including purchase of the freehold of The Coach & Horses, a 16th century village pub with 9 rooms based in Chiselhampton, Oxfordshire. The site underwent a comprehensive refurbishment before reopening.

New pub acquisitions:

2

Total pubs operated:

9



See more online at <https://thebringtonarms.co.uk>

Our Business

Real Estate.

Our Commercial Property Development business specialises in developing contract backed sites in the South East of England.

The Company has a proven profitable track record of sourcing and developing commercial property projects.

Our Real Estate strategy now considers the option of retaining completed development, and it is our intention to retain the two developments that are currently under construction at Wellingborough and Maldon.

Current projects



Wellingborough, Northants

Following acquisition of the land we obtained full planning permission for a 14,100 sq.ft mixed use commercial scheme, which is now under construction. The development is expected to complete by the end of Q2 2022. The scheme has a GDV of £5.2m and an estimated rental value of £238,000. We have exchanged agreements to lease with tenants including Greggs and Formula One Autocentres. It is Barkby's intention to retain the development as an investment property when completed.



Market Overview

Barkby Real Estate sources and develops commercial property schemes predominantly based in the South East of England. Barkby specialises in road side developments including mixed-use trade and retail parks with retail warehouses, logistics, storage, industrial, leisure and quick food service.

Covid-19 caused delays to the commencement of some planned developments, with tenants taking longer than normal to agree commercial terms. More recently, land

acquisition and development deals have now been impacted by macro-economic conditions, including an increase in interest rates, inflation and concerns that the UK will experience a short recession. However, this has created some excellent acquisition opportunities and there remains a strong interest in the Group's upcoming schemes from tenants, as outlined below:

Maldon, Essex

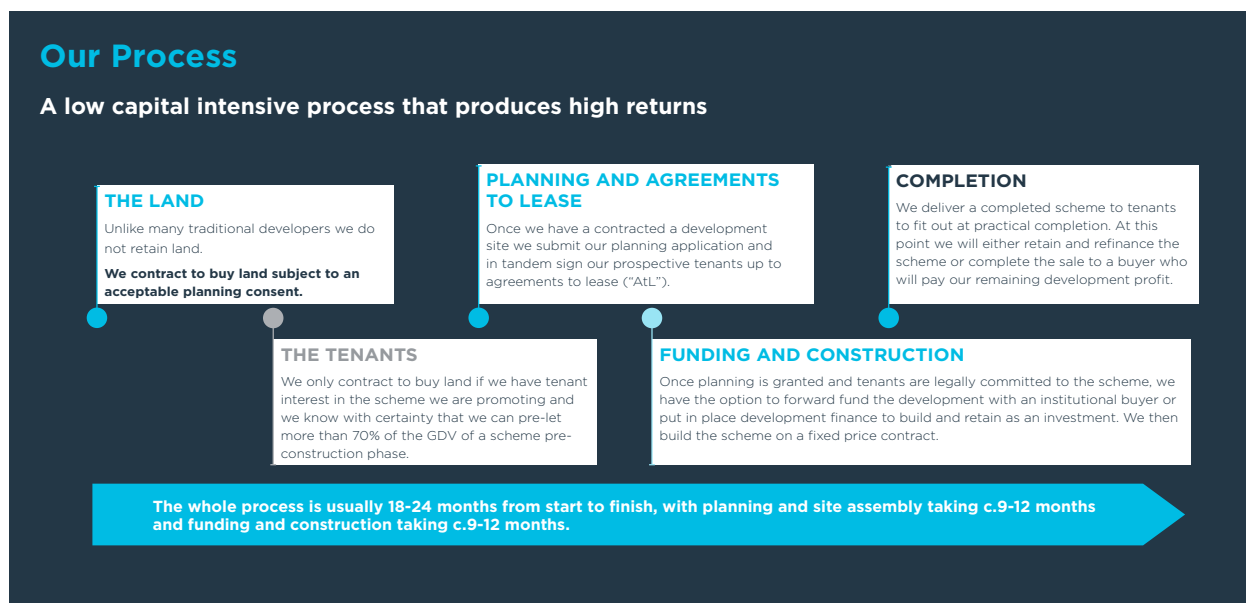
Following acquisition of the former Quest motor dealership in October 2021 we were granted full planning permission for a 15,200 sq.ft mixed use commercial scheme across four units. Construction is now underway and is expected to complete by April 2023. The scheme will have an expected GDV of £6.3m and estimated rental value of £268,500. We have exchanged agreements to lease with tenants including Costa Coffee and Toolstation. It is Barkby's intention to retain the development as an investment property when completed.



Swindon, Wiltshire

Following exchange of contracts to acquire the site subject to planning, the planning application is now in progress for a 29,800 sq.ft mixed use commercial scheme. The scheme will have an expected GDV of £6.5m and total estimated rental value of £385,000. We expect to exchange agreements to lease on both units in early 2023, with construction expected to start shortly afterwards. It is Barkby's intention to retain the development as an investment property when completed.

Business and Financial Review continued



Land Acquisitions and Planning

The Government has published proposals for reform of the land use planning system. The most significant changes aim to improve the slow and complex system of local development plans. We believe that future legislation has the potential to reduce development timeframe and associated costs.

Tenant Demand

Covid-19 accelerated some of the existing underlying real estate trends, such as increased online delivery and working from home. Demand for logistics space has also been significant. Whilst this has generated changes in tenant demand in some sectors, others have remained relatively insulated or seen growth.

Due to our flexible tenant-led approach, Barkby can focus its activity to match tenant demand. We have seen a shift away from traditional retail parks, however demand from trade and quick service food tenants has been robust.

We have particularly strong experience in road side retail developments, which has been the focus of recent developments and we believe provides a strong pipeline of opportunities.

Each development project takes approximately 18-24 months to complete, therefore many tenants adopt long-term views in their expansion strategies.

Business Model and Strategy

Barkby follows a capex light business model to de-risk the development process and ensure clear financial visibility over the lifecycle of each scheme. Barkby does not purchase land speculatively, it acquires land under purchase agreements that are subject to obtaining the required planning consents for the scheme.

Our tenant-led approach built on established relationships with a broad range of national occupiers and other key tenants. This gives clear visibility of potential tenant's geographical growth strategies and allows Barkby to confirm tenant interest in a proposed scheme at an early stage.

A pre-let threshold of 70 per cent is targeted before commencing construction. Typical tenants of Barkby schemes include Aldi Stores Limited, Greggs Plc, Costa Limited, MKM Building Supplies Limited, Travis Perkins plc, Halfords Group Plc and others.

In line with its tenant-led approach, Barkby adopts a pro-active approach to land acquisitions. This approach can require a land-assembly of multiple parcels of land and often includes off-market purchases.

Once a contracted development site has been obtained, planning applications are submitted and prospective tenants execute 'agreement to lease' documentation. After planning has been granted and the future tenants are legally committed to the scheme developments are often forward funded with institutional buyers,

who fund costs incurred to date and commit to fully fund construction through to completion via monthly payments. The scheme is then built on a fixed price contract. In some instances, development finance is used before selling the completed scheme.

The completed scheme is then delivered to the tenant to fit out at practical completion. Previously, Barkby would sell the scheme to an institutional buyer at this point. However, Barkby is now focussing on retaining its developments and building a portfolio of high quality road side retail investments. Barkby's projects target a gross development value of between £3.0 million and £20.0 million and a minimum EBITDA margin of 20 per cent on each project. Barkby has traditionally maintained a development pipeline totaling at least £30m gross development value. We are now looking to significantly scale our focused Roadside commercial property business and will aim to increase investments and developments to £200m over the next 12 months.

Financial Review

Revenue and costs are recognised across the life of each scheme and can often span multiple financial periods. Following the acquisition of land, successful planning applications and contractual engagement with tenants, we recognised an uplift in the value of our development investment properties by £1.2m. Further details of our revenue recognition policy can be found on page 53.

We also sold land that we owned at Saffron Waldon following a series of successful planning applications since the land was acquired. The sale was completed for £3.5m, resulting in a profit of £2.3m.

Maldon, Essex

Proposed development of a 15,200 sq.ft. commercial scheme in a prominent and popular site. Total expected Estimated Rental Value of £269k per annum. Strong demand from occupiers with all units pre-let prior to construction commencing. It is Barkby's intention to retain the development as an investment property when completed.

Gross development value

£6.3m



See more online at
www.barkbygroup.com/our-business/real-estate



Our Business

Barkby Pub Co.

Renowned for their welcoming atmosphere, our multi-award winning pubs are located in the Cotswolds, Oxfordshire and West Sussex.

We aim to deliver first class food, drink and accommodation, as well as a fabulous customer experience.

New Barkby Pubs



The Coach & Horses, Chiselhampton

A 16th century village pub with 9 rooms based in Chiselhampton, Oxfordshire. Following acquisition of the freehold, the site was sympathetically refurbished before reopening.



The Eliot Arms, South Cerney

A 19th century village pub with 7 rooms that has undergone a comprehensive refurbishment and is now a destination venue in the area, offering exceptional service, food and accommodation.

Market Overview

Covid-19 continued to impact this financial year, with the Omicron variant having a significant impact on the Christmas trade period. However, there have not been any lock downs or enforced closure for some time and therefore trade is returning to more normalised levels.

Geo-political and macro-economic factors have had a significant impact on input costs, with increases in food and utility costs, alongside a shortage of hospitality workers, especially in relation to skilled back of house roles.

At the same time, cost of living pressures have limited the extent to which consumer prices can be increased, and we have maintained our commitment to quality and value in our menu and pricing decisions.

Barkby operates premium pubs with rooms located predominantly in the Cotswolds and West Sussex. This affluent segment of the market maintains a traditional commitment and passion for high quality pub experiences, therefore our customer transaction levels and gross spend has remained robust, alongside the demand for stays in attractive properties that are located in areas of natural beauty.

Business and Financial Review continued

Barkby Pub Company continued

Business Model

Barkby Pubs is a boutique hospitality business focused on premium pubs with rooms located in Oxfordshire, Gloucestershire, Berkshire and West Sussex.

Barkby Pubs' proposition is led by excellence in food and service, showcasing the best of English produce, alongside a passion for creating memories and delivering incredible hospitality. Barkby Pubs seeks to create premium individual pubs with accommodation to address the trend away from branded pubs and large hotels. Barkby offers market-leading pub food and exemplary service, providing classic and sophisticated modern British cuisine with seasonal and artisan ingredients alongside local produce.

Following the opening of the Coach & Horses during the year and the Eliot Arms since year end, Barkby Pubs now operates nine premises, with a total of 75 rooms. Each pub has its own website to take bookings, display menus, advertise upcoming events and promote their unique atmosphere. Marketing is managed centrally with regular newsletters and local media as well as increased social media presence and digital storytelling to create an authentic connection with our customers.

Strategy

Our focus is to maintain the individual character and uniqueness of each location, whilst implementing operational best practice. In the next 12 months, we are focused on improving labour planning and efficiency as well stock control processes and reporting systems. These activities are expected to increase the underlying profitability across the estate.

Barkby has invested in developing its people, systems and processes so that it is ready to expand and acquire further sites. We have developed a site acquisition methodology to ensure new pubs fit our operational model and required financial returns. We will continue to add leasehold properties, but will predominantly focus on increasing our freehold acquisitions.

During the year, Barkby added The Coach & Horses to its portfolio. Near to Oxford, and the upper reaches of The Thames Valley, it is a great pub serving great food with an enchanting courtyard and 9 rooms. Following acquisition of the freehold, we completed an extensive refurbishment.

Since year end, we entered our third tenancy agreement with Arkell's for the Eliot Arms, which had also been recently refurbished. The Eliot Arms is an outstanding Inn nestled near Tetbury and Cirencester. Dating back to the 1800s, the pub offers a traditional village bar and contemporary dining room serving innovative dishes that emphasise seasonality and provenance. The pub also boasts 7 cosy, comfortable rooms.

We continue to look for premium pubs with rooms in our target geographies. It is our intention to grow the portfolio to 20 pubs by the end of the 2025 financial year.

Financials

Due to the fast growth in the number of pubs operated, alongside the impact of Covid-19, it is difficult to compare current financial performance to historic norms.

Revenue increased by £3.3m to £6.0m, with an underlying operating loss of £0.2m excluding depreciation, amortisation, goodwill impairment and interest expense (2022: £0.2m). This is predominantly due to the impact of new site openings, which take a period of time to reach maturity and generate target operating profits. The results have also been impacted by spikes in input costs and disruption in labour, resulting in the temporary employment of agency workers. There is a clear plan to achieve target operating margins in the coming period.



Our Business

Investment

Due to its focus on Real Estate and pubs, Barkby is in the process of divesting of its portfolio of investment companies. Its investment in Verso Biosense was disposed of during the financial year, and it expects to dispose of Workshop Coffee, Centurian Automotive and Cambridge Sleep sciences in 2023.

Life Sciences



Verso Biosense

Focused on transforming Women's Health, Verso Biosense is creating a meaningful impact on how clinicians and the pharmaceutical industry make better evidence-based decisions. Barkby's £2.5m investment in Verso Biosense was sold during the period for a small profit.



Cambridge Sleep Sciences

Cambridge Sleep Sciences creates innovative products that help improve quality of life through natural sleep.

ents.



Workshop Coffee

Workshop Coffee is dedicated to sourcing, roasting and showcasing exceptional coffee. An award winning specialty coffee roastery, they supply specialty-grade coffee to wholesale and consumer markets.



Centurian Automotive

Centurian Automotive is a Luxury automotive dealership with an online digital presence.

Investments – Workshop Coffee

Workshop Coffee is a speciality coffee roaster that operates through multiple sales channels including wholesale, direct to consumer via an online webshop and subscription service, and a coffee shop located in central London.

Market Overview

Retail

Following the negative impact of the Covid-19 pandemic, the retail coffee market has now stabilised. Despite workers returning to London, Monday's and Friday's remain particularly quiet. Workshop has therefore closed all but one of its retail sites.

Wholesale

Workshop Coffee supplies and supports over 90 wholesale partners across more than 30 countries, covering a range of operators, including independent coffee shops, hotels, caterers, restaurants, bars, offices and general retailers.

Existing customers include Claridge's Hotel, The Fat Duck Group, Mandarin Oriental Hotel Group, Twitter, Palantir, and The Old Vic Theatre. Workshop Coffee works with distribution partners in other territories such as the GCC (including Saudi Arabia), and Ireland, who on-sell to local customers.

Following a decline in wholesale revenues during Covid-19, we have seen a return in orders levels and have won some new customers including Scott's and the Langham hotel in London.

Online

The online channel is managed and fulfilled from Workshop Coffee's production facility. The production facility relocated from Bethnal Green to Hatfield in November 2021. In addition to selling one-off packs of coffee beans, customers can subscribe to recurring coffee orders through the website, as well as purchase coffee related hardware products, such as coffee brewers and coffee grinders.

Strategy

Workshop Coffee's growth focus is on wholesale and B2B customers. The board believes there is a significant opportunity to grow the Workshop Coffee business organically.

Financials

Workshop made sales of £1.5m in the year (2021: £1.2m) and generated an Operating loss of £0.3m (£0.4m).

Wholesale revenues increased by 31% to £0.8m on the same period last year, whilst online and retail sales decreased.

Gross profit margin was broadly in line with the prior year at 46% (2021: 45%).

We are progressing the sales process for Workshop and discussions are ongoing with a number of interested parties under NDA. The possibility of a management team buyout is also being considered.





Investments – Centurian Automotive

Market Overview

Centurian Automotive is a Luxury and Supercar automotive dealership with a fast growing and differentiated online digital presence.

Whilst underlying trading trends were uncertain during Covid-19, sales trends were quite variable during the financial year.

Business Model

Centurian prides itself on best-in-class customer experience and aims to differentiate itself from other automotive dealerships through its superior customer service, this reflected in its positive customer reviews on Google and Autotrader.

Centurian holds approximately 100 hand picked vehicles, of which 60-70% of these are then customised to give them a unique look. Bespoke sales generate higher margins and provide a unique selling point.

Financials

Centurian sales were £7.5m during the year, a decline of 35% vs the prior year (2021: £11.0m). The average margin increased from 10.9% to 13.6%. Overall, Centurian made a net loss for the year of £0.5m (2021: £0.1m).

Business and Financial Review continued

Investments - Cambridge Sleep Sciences

Barkby acquired the intellectual property rights to develop a device that delivers scientifically formulated sounds to improve and facilitate natural sleep. The “SleepHub” product was subsequently launched in November 2020.

The importance and benefits of sleeping patterns continue to be an area of focus in health and wellness. The market is relevant to both those with sleeping disorders as well as people wanting improvements in everyday sleep.

Since launch, SleepHub has received positive reviews in major publications including The Telegraph, The Daily Mail and Metro. SleepHub has also featured in magazines such as Ideal Home alongside a number of health and wellbeing titles.



In line with the change in strategic focus for the group, Barkby initiated a process to sell Cambridge Sleep Sciences. In line with buyer feedback, the opportunity for online licensing is now the central focus for the technology.

There are also significant opportunities in the Healthcare space. Further studies looking at disease areas where insomnia is a significant symptom are in the planning phase. We have seen positive early sleep improvement signals in patients with Parkinsons Disease.

Cambridge Sleep Sciences incurred development, marketing and administrative costs totalling £548k during the period (2021: £885k) during the period.



Cambridge Sleep Sciences - Sleep Hub

Entered distribution agreements in
4 continents



See more online at
<https://cambridgesleepsciences.com/>

Principal Risks and Uncertainties

The Board is responsible for reviewing risks to ensure that the business is not exposed to unnecessary or inappropriately managed risks.

Risk	Potential Impact	Mitigation
Global or Regional Pandemic		
<p>The Covid-19 virus and actions to protect public health may impact Barkby's divisions.</p>	<p>A significant rise in infection rates may lead to the return of government intervention resulting in delays or disruption to the property development pipeline, loss of access to physical sites, impact our ability to trade and reduce customer demand.</p>	<p>The Group has proven its capability to work remotely for extended periods.</p> <p>The Group's response to the unforeseen pandemic has resulted in many operational changes to help mitigate the impacts of potential future outbreaks.</p> <p>Commercial development projects are part of multi-year tenant strategies and our experience indicates that tenants take long term views on their pipeline decisions.</p>
Economic and Political Factors Beyond the Group's Control		
<p>A downturn in the macro-economic climate may impact demand generally across our businesses.</p> <p>Costs may be increased by changes to government policy, including tax changes or other legislation.</p>	<p>The Board has planned for a variety of potential scenarios including mitigations for any fundamental reduction in demand.</p> <p>The Board considers the Barkby businesses to have a relatively flexible cost base, with limited contracted fixed costs.</p>	<p>The Group has flexibility in the structure and nature of its developments, and can adapt to economic factors. Its pub business can also adapt offer, customer price and cost base as required.</p> <p>The Group's cost base remains tightly controlled.</p>
Land Acquisition and Planning Risk		
<p>The property development pipeline is dependent on sourcing land and obtaining planning permission to meet tenant demand.</p>	<p>Due to the nature of site acquisitions and planning applications, there is an inherent element of timing uncertainty and project feasibility which could impact the development pipeline.</p>	<p>The management team seeks to maintain an active forward looking pipeline to provide sufficient time to prepare sites for development.</p> <p>To mitigate the planning consent risk, we do not complete site acquisitions until planning is obtained.</p> <p>Management intends to expand the development pipeline beyond its previous target of £30m to £200m.</p>
Real Estate Tenant Demand		
<p>Barkby Real Estate follows a tenant-led approach that identifies development opportunities in response to tenant demand.</p> <p>Changes in tenant demand trends must be identified and responded to.</p>	<p>Barkby has developed a range of commercial development types and maintains close links with tenants spanning a range of industries.</p>	<p>Close communication and strong relationships enable us to anticipate and react to changes in demand.</p> <p>We have noticed a change in demand from certain sectors of retail.</p> <p>Demand for mixed-use schemes including quick service food retail, drive-thru's and trade parks remains robust.</p>

Risk	Potential Impact	Mitigation
Changes to Hospitality and Consumer Tastes		
<p>Certain sectors of the hospitality industry have been negatively impacted by Covid-19, uncertain consumer confidence and enforced closures.</p>	<p>The Board has planned for a variety of potential scenarios including mitigations for any contraction in demand.</p>	<p>The Board believes that the pub portfolio is well positioned to return to profitable trading due to its strong reputations and loyal customer base. The portfolio also benefits from ongoing demand for staycations.</p>
<p>Short-and medium-term consumer behaviour and trading levels remain uncertain.</p>	<p>We have maintained close communication with suppliers and landlords to ensure we can return to normal trading conditions quickly and efficiently.</p>	
Key Management		
<p>Loss of key personnel could impact the Group’s ability to implement its strategy and intended pace of growth.</p>	<p>Business plans and initiatives are prepared with input from a range of personnel to reduce reliance on single individuals.</p>	<p>Barkby has reviewed its key management requirements and will continue to adapt its support function as it completes the sale of businesses in line with its strategy.</p> <p>The Remuneration Committee seeks to ensure rewards are commensurate with performance and aid retention.</p>

 For more details see **pg38**

Section 172 Statement

The Board believes that to maximise value and success in the long term it must engage and consult effectively with all stakeholders in order to develop mutually beneficial relationships with them and to make the best business decisions.

S172 Statement

As required by s172 of the Companies Act 2006, a director of a company must act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In so doing, the director must have regards amongst other matters to the:

- Likely consequences of any decision in the long-term
- Interests of the company's employees
- Need to foster the company's business relationships with suppliers, customers and others
- Impact of the company's actions on the community and environment
- Desirability of the company maintaining a reputation for high standards of business conduct
- Need to act fairly between members of the company

Our Stakeholders	Material Topics	How we engage
<p>Employees</p> <p>We have very committed and experienced teams running our business. Many of our business are "people businesses" and our employee's interactions with customers and other stakeholders are critical to our success.</p> <p>Our group structure includes employees with specific divisional expertise as well as employees who perform a group function across divisions. Continuing to develop and maintain an environment in which all employees can thrive and support each other is very important to Barkby.</p>	<ul style="list-style-type: none"> • Opportunities for development • Determining the working environment • Opportunities to share ideas and initiatives • Group's financial performance 	<p>Management teams utilise a range of communication protocols, such as company-wide emails and on-site meetings with senior management to ensure effective communication and collaborative working relationships.</p> <p>We have an open and collaborative style which ignores hierarchy. Our teams work closely together and therefore build close relationships. There are a lot of opportunities to share ideas and to understand new initiatives informally.</p>
<p>Shareholders</p> <p>As a listed business, we recognise the important role that shareholders play in providing capital, insight into successful strategies, advice on risks to be avoided and in monitoring and safeguarding the governance of the Group.</p>	<ul style="list-style-type: none"> • Financial and operational performance • Business strategy and model • Market conditions • Capital allocation • Dividend policy 	<p>We are very conscious of the need to actively communicate with shareholders. We achieve this through our AGM, our RNSs, our website and via contact through our advisors. Our Non-Executive Directors are available to meet with shareholders to discuss governance matters.</p>
<p>Banks</p> <p>Our banking partners play an important role in our business and help us to take advantage of opportunities. We maintain close and supportive relationships through open communication and mutual understanding.</p>	<ul style="list-style-type: none"> • Financial and operational performance • Strategy • Market and opportunities • Cash generation 	<p>We maintain regular contact with our banking partners and host meetings to provide updates on our current performance and strategy. We regularly supply financial information and commentary to lenders as required under borrowing agreements.</p>

Our Stakeholders	Material Topics	How we engage
<p>Suppliers</p> <p>We value our supplier relationships and recognise the contribution they make to the success of each of our businesses.</p> <p>To remain as a provider of a market-leading premium offering that appeals to new and existing customers, it is important that the company fosters mutually beneficial relationships with the best suppliers.</p>	<ul style="list-style-type: none"> • Group's financial performance • Growth plans • Credit arrangements • Quality control procedures • Collaborative approach to product innovation 	<p>We maintain close relationships and regular communication with our suppliers. The nature of the supply relationships varies across our business, but we maintain a consistent, collaborative approach.</p> <p>Since lockdown restrictions reduced, there has been reported disruption in supply chains across the country. We thank all of our suppliers for their support during this period.</p>
<p>Regulators</p> <p>We recognise the continual push by consumers, society and government for protection through regulation. Regulators clearly have an important role to play in the development of the economy and the property sector. Compliance to high standards is at the core of our values and our focus on respect.</p>	<ul style="list-style-type: none"> • Compliance with the legislation • Openness and transparency • Lack of relationship between regulators and sector • Capabilities of representative bodies 	<p>We have grown accustomed to reacting to change. We rarely engage directly with Regulators, seeking to rely on our trade bodies to represent us. However, once change is upon us, we seek out advice from Regulators to ensure that we are and remain compliant.</p>
<p>Community</p> <p>We are mindful that our customers and other stakeholders often live in the local communities that we serve and therefore have an interest in ensuring that we operate in a respectful manner and maintain the highest standards across our businesses.</p>	<ul style="list-style-type: none"> • Involvement in local organisations • Providing valuable local insight to customers • Sponsorship • Compliance with regulations 	<p>Actively engaging on social media and using the digital marketing techniques at our disposal to provide useful information to local communities. Setting out clearly what we do, how we do it and how we support the local community.</p>

Principal decisions in 2022

Principal decisions in 2022

We have considered the decisions taken by the Board which will have an impact on the longer term performance and prospects for the Group.

Significant decision

Following ongoing review of the opportunities across its businesses, the board has confirmed its future focus is on Real Estate. This will include the ongoing commercial property development activity as well as the retention of developments as investment properties.

Barkby's diversification has provided elements of value across the group, especially during the disruption caused by the pandemic. However, the board believes that there are improved immediate opportunities in the property development business and has therefore focussed group resources to maximise these opportunities.

Barkby will focus on the exceptional opportunities identified in its Real Estate business.

Stakeholders affected and engagement

Shareholders●

Assessment of the increased potential to generate shareholder value and returns as a larger diversified group.

Regulators●

Advisors supported the reverse takeover and AIM admission process.

Employees●

Set out our strategic objective and the opportunities this may present.

Banks●

Updated on our strategic decision, future strategy and potential funding requirements

Reason for decision

The Board believes that the Group's expertise in Real Estate, alongside strong market opportunities to extend its development pipeline and retain investment property assets, will result in excellent returns for stakeholders.

This decision will also ensure there is a clear understanding of Barkby's strategic focus and objectives going forward.

Anticipated effects

We believe this will maximise the potential return available to our shareholders.

Progress

Barkby has strengthened the teams leading the Real Estate and Pub company Businesses, including the appointment of Simon Jones as Property Director during the year.

Progress is also being made to separate the other group companies, which is expected to complete by the end of 2023.

**Douglas Benzie**

Chief Financial Officer
29 December 2022



Sustainability Report

We are committed to championing sustainable and ethical practices both within our group and with the organisations we engage with.

As Barkby grows, we will create expanded policies to ensure clear responsibility and accountability for sustainability across the Group. We plan to collaborate with specialists to increase knowledge and validate the impact of our activity.

Packaging and Waste.

A key area of our focus is to eliminate single-use plastic packaging and move to recyclable replacements.

We strive to ensure that production and supply operations minimise both the resources they use and the levels of waste material created. We are particularly focussed on minimising food waste in our hospitality businesses and to divert waste from landfill.

Sourcing and supply chain.

We consider the sustainability credentials of suppliers before engaging with them.

We invest significant time and resources to ensure the quality of our suppliers, which range from local producers to multi-national manufacturers depending on our business requirements.

Energy and Carbon.

We are working to improve our understanding of the energy we use across the Group. This will enable us to identify opportunities to reduce usage via innovation, new systems and campaigns.

Our communities.

We are privileged to serve a range of communities, from local pub venues to car enthusiasts. Our communities are at the heart of our operations and we ensure our activities provide a positive and valued contribution.

Our team.

Our teams are key ingredients in our businesses. We are committed to diversity, inclusion and equality of opportunity, and are making progress on many fronts.

Case study – Workshop Coffee – Sustainability as a process

For us, sustainability is not an end-point, but an ongoing project; a series of informed and considered decisions that not only help reduce our environmental impact, but also improve the quality of the coffees we showcase.

This begins at origin. Showcasing exceptional coffees from countries across East Africa, Central America and, most recently, South America means forging and developing relationships with quality-focused producers, exporters and co-operatives – those that are willing to develop, evolve and adapt as together we target ever-improving quality in the cup. By working with the same people year-on-year and paying prices that far exceed those of the market and Fairtrade, our aim is to support reinvestment into better and more sustainable coffee farming practices. This in turn helps to create better quality coffee.

Our efforts extend beyond coffee production and processing. Like many species of flora and fauna, coffee is under threat. Climate change, pests and disease are already affecting the long-term viability of quality coffee and, as a result, its long-term availability is not a foregone conclusion. We therefore donate to World Coffee Research for every kilo of green coffee we purchase. A world

leader in coffee variety research, they are supporting the development of coffee varieties that are high yielding, demonstrably resilient in the field and delicious – an audacious but laudable objective that is already paying dividends in coffee producing countries across the world.

Also integral to improving our sustainable practices is making it as easy as possible for our customers to make the right decision. Alongside carbon neutral coffee bags, we dispatch all of our packages in either recyclable cardboard boxes or home compostable mailer bags. We also work with like-minded brands, such as MiiR, who are certified carbon neutral, a B Corporation and members of 1% for the Planet.



Governance Report

The Directors recognise the importance of sound corporate governance commensurate with the size and nature of the Group and the interests of its shareholders, customers, suppliers and employees.

Respe



Chairman's Introduction to Governance

In this section of our report we have set out our approach to governance and provided further information on how the Board and its Committees operate.

The corporate governance framework which the Group operates, including Board leadership and effectiveness, Board

remuneration, and internal control is based upon practices which the Board believes are proportional to the size, risks, complexity and operations of the business and reflective of the Group's values.

“

The Board believes that it complies with the principles of The QCA Corporate Governance Code (QCA code).”

cted.

Board of Directors

Rupert Fraser resigned from his board role as Group Managing Director on 1st March 2022 and remained with the Company as Managing Director of Barkby Pubs, which is not a board position.

All other directors and their positions remained consistent during the financial year and since the year end.

The current Board comprises two executive directors and three non-executive directors as follows:

- **Charles Dickson** (Executive Chairman)
- **Douglas Benzie** (Chief Financial Officer)
- **Jonathan Warburton** (Senior Independent Non-Executive Director)
- **Jeremy Sparrow** (Independent Non-Executive Director)
- **Matt Wood** (Independent Non-Executive Director)

Board of Directors



Charles Dickson

Executive Chairman
(age 40)

Committee membership



Charles founded Tarcourt, a specialist Roadside development business, in 2008, which is now part of Barkby Group.

Experience

Charles began his career with Ernst & Young LLP, where he qualified as a Chartered Accountant before moving to work in Corporate Finance with McQueen Limited (now Houlihan Lokey Limited).

He is also a non-executive director of Apache Capital Partners Limited, a London based real estate fund manager with c.£4.5bn AUM.



Douglas Benzie

Group Chief Financial Officer
(age 41)

Committee membership

Doug is an experienced finance leader who has worked extensively in the hospitality industry and in high growth companies.

Experience

Doug joined Barkby from Pure, the London-based healthy fast-food chain and a Whitbread Plc backed company, where he was Finance Director for three years.

Prior to this, Doug held the roles of Group Financial Controller and Chief Accountant at Pret A Manger and was part of the team that helped grow Pret before its sale to JAB Holding Company. Doug began his career at EY where he worked for 8 years in the strategic growth markets practice and qualified as a Chartered Accountant.

Committee membership key

A Audit Committee **R** Remuneration Committee **N** Nomination Committee Chair of Committee



Jeremy Sparrow

Non-Executive Director
(age 53)

Committee membership



Jeremy is an adviser to Alvarium, an independent multi-family office, and has over 25 years of extensive deal making experience leading teams in London, New York and Hong Kong.

Experience

He was most recently head of Investec Resource Investment Banking for Asia and Australia, after serving as CEO of Renaissance Capital, where he established the company's first Asian office. Previously, he spent 12 years with Renaissance Capital as a Managing Director, being Head of Equity Products in New York and the UK, and has also served as Vice President at Morgan Stanley.



Jonathan Warburton

Non-Executive Director
(age 64)

Committee membership



Jonathan assumed control of the Warburton bakery business in 1991. He first joined the company at the age of 23 after spending time in organisations outside Warburtons to gain insight into the baking industry, as well as experience in sales and marketing experience through his time spent with Unilever.

Experience

He joined the family business as a member of the Sales Team, progressing to National Account Manager and to Sales Director before he set up the Marketing Team. As Marketing Director, he led the development of Warburtons first ever TV advert. In the decade that followed, Jonathan held the role of Commercial Director and joint Managing Director. Since Jonathan became Chairman in 2001, Warburtons has grown from a small, regional business into the second biggest UK grocery brand behind Coca-Cola Plc. Jonathan has also held Non-Executive director positions with AG Barr and Samworth Brothers.



Matthew Wood

Non-Executive Director
(age 49)

Committee membership



Founder and Managing Director of ONE Advisory, Matt is an experienced non-executive director, having graduated with a First Class honours degree in Economics in 1996 and qualified as a chartered accountant in 1999.

Experience

He subsequently joined the corporate finance department of Beeson Gregory in 2000 where he advised growing companies on transactions including IPOs, secondary fundraisings, M&A and corporate restructuring. Matt also advised corporate clients on the UK regulatory framework including the Listing Rules, the AIM Rules, the Takeover Code and general corporate governance matters. In 2006 he founded ONE Advisory, a London-based corporate advisory group providing its 100+ corporate clients with corporate administration, company secretarial, corporate governance and compliance services, outsourced finance function, IFRS conversions, FPPP preparation and PPA valuations. Matt is a member of Barkby's Remuneration and Nomination Committees and is Chair of Barkby's Audit Committee. valuations.

Corporate Governance Report

How the Board Operates

The Board is responsible for the Group's strategy and for its overall management. The strategic report on pages 1 to 31 summarises the Board's approach to promote sustainable long-term growth and value for shareholders. The responsibilities of the Board include matters relating to:

- The Group's strategic aims and objectives.
- The structure and capital of the Group.
- Financial reporting, financial controls and dividend policy.
- Setting budgets and forecasts.
- Internal control, risk and the Group's risk appetite.
- The approval of significant contracts and expenditure.
- Effective communication with shareholders.
- Any changes to Board membership or structure.
- Oversight of the Executive committee

Board Meetings

The Board held scheduled meetings during the period. Jeremy Sparrow was unable to attend two meetings. All other board members attended the meetings held during the financial year.

Board and Committee meetings provide time for collective discussion and decision-making, but informal communication channels also operate to ensure open dialogue and information sharing with the Non-executive Directors continues between meetings.

The board held a number of unscheduled meetings to discuss specific issues or matters of an urgent nature. In particular, the Board maintained formal and informal communication to discuss the ongoing impact of Covid-19 during the year and the Group's strategic focus.

Internal Controls & Risk Management

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. Any such system of internal control can provide reasonable, but not absolute, assurance against material misstatement or loss. However, the Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group.

The principal risks faced by the business are summarised on pages 28 and 29. Following the reverse take over, the enlarged Group initially operated on a number of different finance systems. A new finance system called Oracle NetSuite, was implemented across the group. NetSuite is considered a best-in-class finance system that has the capacity to grow with the Group as it expands. Having a consistent finance system across all businesses enables faster financial reporting and improved controls.

During the year, the Group outsourced the finance function of its pub business to an accountancy service provider that specialises in the hospitality industry.

The principal elements of the Group's internal control system include:

- monthly management meetings attended by the executive directors and the senior management team from each Group business to discuss strategy as well as day-to-day activities of each business;
- an organisational structure with defined levels of responsibility, which promotes entrepreneurial decision making and agile implementation whilst mitigating risks;
- segregation of duties so no individual can have undue influence or control over an activity, process or transaction;
- a comprehensive annual budgeting process, producing a detailed integrated profit and loss, balance sheet and cash flow, which is approved by the Board;
- detailed monthly reporting of performance; and
- central control over key areas such as capital expenditure authorisation and banking facilities.

The Group continues to review its system of internal control to ensure adherence to best practice, whilst also having regard to its size and the resources available. The Board considers that the introduction of an internal audit function is not appropriate at this juncture, but will keep this under review.

The Board conducts annual reviews of its register of key risks and on a bi-annual basis reviews the risk landscape in detail, including a consideration of risks, likelihood, scale of potential impact and the existence of assurance, mitigation or appropriate contingencies.

Business Culture, Values and Behaviours

Respect is a core value of the Barkby Group that is consistently promoted across every business. The Barkby culture encourages all employees to take responsibility for their actions and to adopt a “Do the right thing” mindset.

Each individual trading division is proud to be part of the Barkby Group and Respect is both an internal attitude between colleagues as well as an objective for Barkby’s external perception and reputation.

As a relatively new group, the Directors acknowledge that it will take time to build a consistent culture. Our Head of People role retains primary responsibility for the Group’s objectives across Culture, Values and Behaviours. There is a shared belief that true culture is best defined not as a written policy but by the actions of Barkby team members on a daily basis.

Development

The Company Secretary ensures that all Directors are kept abreast of changes in relevant legislation and regulations, with the assistance of the Group’s advisers where appropriate. Executive Directors will be subject to the Group’s performance review process through which their performance against predetermined objectives is reviewed and their personal and professional development needs considered. An annual performance appraisal of Non-executive Directors will be undertaken by the Chairman as part of the Board evaluation process, at which time any training or development needs will be addressed.

Board members attend relevant business conferences and briefings to keep their knowledge of industry trends and compliance requirements up to date.

Conflicts of Interest

At each meeting the Board considers Directors’ conflicts of interest. The Group’s Articles of Association provide for the Board to authorise any actual or potential conflicts of interest.

External Appointments

As appropriate, the Board may authorise Executive Directors to take Non-Executive positions in other companies and organisations, provided the time commitment does not conflict with the Director’s duties to the Group, since such appointments should broaden their experience. The acceptance of appointment to such positions is subject to the approval of the Executive Chairman.

Directors’ and Officers’ Liability Insurance

The Group has purchased Directors’ and Officers’ liability insurance during the period as allowed by the Group’s articles.

Election of Directors

Details of the Directors of the Group who will offer themselves for re-election at the Annual General Meeting will be included in the Notice of Annual General Meeting and accompanying resolutions.

Relations with Stakeholders

The Group maintains communication with a wide range of stakeholders to ensure that their needs, interests and expectations are understood and reflected within the Group’s strategy. Customer feedback is collected directly from customers at each business locations and remotely for online customers.

Each business regularly monitors social media and other inbound customer queries and endeavours to respond in a comprehensive and timely manner. We carefully consider how we source products within our supply chain, especially in relation to fresh produce in our pub business and coffee beans purchased by Workshop Coffee.

Employee feedback is sought via regular anonymous surveys, with the opportunity to discuss topics directly with the Head of People, the Board or via an intermediary to present topics on their behalf.

Corporate Governance Report continued

Relations with Shareholders

The Group maintains communication with institutional shareholders through individual meetings with Executive Directors, particularly following publication of the Group's interim and full period results. Private shareholders are encouraged to attend the Annual General Meeting at which the Group's activities are discussed.





General information about the Group is available on the Group's website (www.barkbygroup.com). The Executive Chairman and independent Non-executive Directors will attend meetings with investors and


analysts as required. Investor relations activity and a review of the share register are regular items on the Board's agenda.

Annual General Meeting (AGM)

The Notice of Annual General Meeting and the ordinary and special resolutions to be put to the meeting are included in the Notice of AGM accompanying this Annual Report.

QCA Code Compliance

Governance Principal	Compliant	Explanation	Further Reading
Deliver Growth			
Establish a strategy and business model to promote long-term value for shareholders.	✓	The strategy for each division and the Group as a whole is determined by the Board. Strategic progress milestones are set and tracked between the Directors and senior management.	To find out more about our strategy and business model see  pg4
Seek to understand and meet shareholder needs and expectations.	✓	Regular meetings are held with investors and analysts and the Board regularly considers how decisions could impact and be received by shareholders. Our AGM provides an opportunity for all shareholders to hear from and meet with our Directors.	For more information on our relations with shareholders see  pg39
Take into account wider stakeholder and social responsibilities and their implications for long-term success.	✓	Wider stakeholder responsibilities have been front of mind during the pandemic. The Board identifies the main stakeholders in the business and regularly discusses how employees, suppliers, customers and others might be affected by decisions and developments in the business. We believe that social responsibilities are not only a responsibility but a requirement to be a successful business.	Corporate Governance Report and Sustainability Report  pgs 32 and p36
Embed effective risk management, considering both opportunities and threats, throughout the organisation.	✓	Both the Board and Audit Committee regularly review risks, including new threats, and the processes to mitigate and contain them. Whilst the Board is responsible for risk, our culture seeks to empower all colleagues to manage risk effectively across all our businesses.	We have summarised the main risks faced by the business and how they are being managed on  pg26-27

Governance Principal	Compliant	Explanation	Further Reading
Maintain a dynamic management framework			
Maintain the Board as a well-functioning, balanced team led by the Chair.	✓	Our Board works well together as a team and contains complimentary experience across property, hospitality and life sciences industries, as well as the required experience in compliance, governance and financial management.	Our Directors and details of their individual roles, backgrounds and experience are provided on  pg36-37
Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.	✓	We assess the adequacy of the Board's collective skills and experience as part of the annual Board evaluation. Directors' individual development needs will be discussed annually with the Chairman.	Corporate Governance Report
Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	✓	An annual Board evaluation will be undertaken to review the Board's effectiveness, track improvements since the previous year and plan additional actions.	Evaluation will be reviewed by the Nomination Committee.
Promote a corporate culture that is based on ethical values and behaviours.	✓	Respect is a core value of the Barkby Group that is consistently promoted across every business. Each individual trading division is proud to be part of the Barkby Group. We have witnessed a solidarity and commitment across our workforce during the pandemic, which instils a huge amount of confidence in the group's potential for future success through a supportive culture.	Corporate Governance Report
Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.	✓	The Directors recognise the importance of sound corporate governance and have therefore adopted the QCA code to support decision making at board level.	More detailed information about our governance structures and processes can be found in our corporate governance report
Build Trust			
Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	✓	We communicate with a range of stakeholders. Employee concerns and issues are represented by a newly created "Head of People" role, which has overall responsibility for this area. We have maintained good communication and endeavoured to work collaboratively with our suppliers, especially in relation to the challenges caused by the pandemic.	Further information on our dialogue with stakeholders and shareholders can be found on  pg39 and in our corporate governance statement on  pg34  See more information relevant to our wider stakeholders on our website www.barkbygroup.com

Audit Committee Report

The Audit Committee comprises Matt Wood, Jonathan Warburton and Jeremy Sparrow. Matt Wood is Chairman of the Audit Committee.

The Audit Committee met twice during the financial year and will meet at least three times in each financial year going forward and at any other time when it is appropriate to consider and discuss audit and accounting related issues.

The Audit Committee is responsible for determining the application of the financial reporting and internal control principles, including reviewing the effectiveness of the Enlarged Group's financial reporting, internal control and risk-management procedures, and the scope, quality and results of the external audit.

The Audit Committee approved the appointment of Crowe UK LLP as auditors to the group. Following the completion of the 2020 audit the audit partner had been in situ for five years, for the first two of which the Company had been a small investing entity. The Audit Committee requested the audit partner to remain for the 2021 audit in view of the significant changes that occurred to the Company and Group during 2020. The Audit Committee requested an additional and final extension for the 2022 audit in view of the strategic refocus and resulting ongoing disposal of non core businesses.

Remuneration Committee Report

The Remuneration Committee comprises Jonathan Warburton as Chairman, Jeremy Sparrow and Matt Wood. The Remuneration Committee reviews the performance of the Executive Directors and sets the scale and structure of their remuneration and the basis of their service agreements with due regards to the interests of Shareholders.

In determining the remuneration of Executive Directors, the Remuneration Committee will seek to enable the enlarged Group to attract and retain Executives of the highest calibre. The Remuneration Committee also makes recommendations to the Board concerning the allocation and administration of share options. No Director is permitted to participate in discussions or decisions concerning their own remuneration.

The Remuneration Committee intends to meet at least twice in each financial year. However, the committee only met once during the year in November 2021. The second meeting was deferred due to the current change in strategic focus of the group towards Real Estate activity and to ensure future remuneration is aligned with this.

Directors Remuneration

The following table summarises the total gross remuneration of the Directors who served during the period to 2 July 2022 and 1 July 2021.

833,334 Restricted Ordinary Shares were issued to Douglas Benzie in relation the completion of two years of service. The shares are subject to an agreement whereby they cannot be sold until three years of service are completed.

No other equity awards were made to any other director in either the current or prior year.

No performance bonuses relating to group profitability were paid.

	Appointment Date	Resignation Date	Basic Salary and Fees	
			2022	2021
Charles Dickson	07/01/2020		103,750	180,000
Rupert Fraser*	26/06/2018	28/02/2022	80,000	120,000
Douglas Benzie	30/09/2020		176,000	160,000
Jonathan Warburton	07/01/2020		-	-
Matthew Wood	07/01/2020		-	-
Jeremy Sparrow	18/07/2016		-	-
Emma Dark	13/05/2019	30/09/2020	-	-

* Rupert Fraser resigned as a main board director effective from 28 February 2022 but remains an employee of the group. The remuneration above relates to his period as a main board director.

Nomination Committee Report

The Nomination Committee comprises Charles Dickson as Chairman, Jeremy Sparrow, Jonathan Warburton and Matt Wood. The Nomination Committee is responsible for reviewing the structure, size and composition of the board, preparing a description of the role and capabilities required for a particular appointment and identifying and nominating candidates to fill board positions as and when they arise.

The Nomination Committee intends to meet at least twice in each financial year. However, the committee only met once during the year in November 2021. The second meeting was deferred due to the current change in strategic focus of the group towards Real Estate activity and to ensure future board structure is aligned with this.

Benefits		Cash Bonus		Defined Contribution Pension		Total	
2022	2021	2022	2021	2022	2021	2022	2021
-	-	-	-	-	-	103,750	180,000
518	813	-	-	-	-	80,518	120,813
1,139	1,200	-	-	11,402	8,000	188,542	169,200
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Directors' Report

The Directors present their report together with the audited financial statements for the period ended 2 July 2022.

The corporate governance statement on pages 34 to 43 also forms part of this Directors' report.

Review of Business

The Chairman's statement on page 6 and the strategic report on pages 1 to 31 provides a review of the business, the Group's trading for the period ended 2 July 2022, key performance indicators and an indication of future developments.

Result and Dividend

The Group has reported its Consolidated Financial Statements in accordance with UK adopted International Accounting Standards in conformity with the Companies Act 2006. The Group's results for the period are set out in the Statement of profit or loss and other comprehensive income on page 54.

The Company financial statements have been prepared under FRS 101. During the year, the company made the decision to dispose of its subsidiary undertakings, Centurian Automotive Ltd, Cambridge Sleep Sciences Ltd and Workshop Trading Holdings Ltd.

The Directors are satisfied that these entities meet the definition of Discontinued Operations, therefore there results have been presented in accordance with the requirements for Discontinued Operations.

Barkby Pub Co. Ltd was incorporated on 3 September 2021, therefore its results are included in the current year Consolidated Income Statement from that date to 2 July 2022. Barkby Group Plc holds 100% of the ordinary share capital of Barkby Pub Co. Ltd.

Due to macro-economic factors, we significantly increased the cost of capital assumption used in our impairment tests to 13.9% (FY21: 8.0%). This has resulted in the intangible goodwill that arose on the acquisition of our pub business being fully impaired, despite a positive performance from the underlying business. The goodwill impairment charge recognised in the year was £6.3m (FY21: £nil).

The Group made revenue of £10.3m (FY21: £2.8m), gross margin of 43.2% (FY21: 21.7%) and operating profit of £1.6m (FY21: loss of £2.0m) from continuing operations before the impairment of goodwill. The Group's loss after tax including the impairment of goodwill was £9.5m (FY21: loss of £4.4m).

The 2022 financial year includes the results of all group companies for the period ended on 2 July 2022.



The summary financial KPIs are as follows:

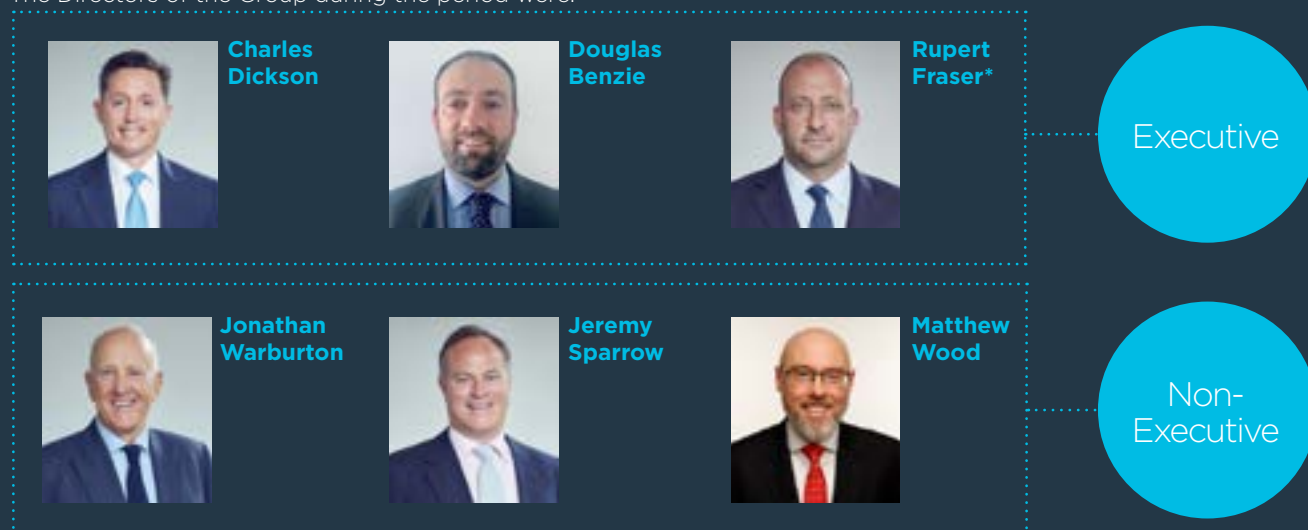
Period Ended	2022	2021
Revenue (£m)	£10.3m	£2.8m
Gross margin %	43.2%	21.7%
Loss after tax (£m)	£9.5m	£4.4m

Please refer to the Operating and Financial Report for further review of trading performance

The Board is not recommending a dividend.

Directors

The Directors of the Group during the period were:



The names of the Directors, along with their brief biographical details are given on **pg36-37**

* Rupert Fraser resigned as a main board director effective from 28 February 2022 but remains an employee of the group.

www.barkbygroup.com

Directors' Report continued

Directors' Interests

Charles Dickson	33,279,757
Rupert Fraser	1,764,713
Douglas Benzie	833,334
Jonathan Warburton	250,000

No Director has any beneficial interest in the share capital of any subsidiary undertaking.

The Group purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Political Donations

The Group made no political donations in the financial period.

Disclosure of Information to Auditors

As far as the Directors are aware, there is no relevant audit information (that is, information needed by the Group's auditor in connection with preparing their report) of which the Group's auditor is unaware, and each Director has taken all reasonable steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Financial Instruments

The financial risk management objectives of the Group, including credit risk, interest rate risk and foreign exchange risk, are provided in Note 27 to the Consolidated Financial Statements on page 92.

Share Capital Structure

At 2 July 2022, the Company's issued share capital was £1,233,013.77 divided into 143,261,138 ordinary shares of £0.00860675675675676 each.

The holders of ordinary shares are entitled to one vote per share at the general meetings of the Company.

Substantial Shareholders

At 2 July 2022, the Company had been notified of the following substantial shareholders comprising of 4% or more of the issued ordinary share capital:

Charles Dickson

23.23%

Davina Dickson

19.59%

James Dickson

12.53%

David Holdsworth

4.81%

Tarncourt Group

4.14%

Purchase of Own Shares

There was no purchase of own shares in the period.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further detail on going concern is on page 62.

Post Balance Sheet Events

Tarncourt Facility

Re-financed the existing Tarncourt facility from £5m to £12m with expiry being extended from 30th June 2023 to 30th June 2024.

The Board considers that no other material post balance sheet events occurred between the end of the period and the date of publication of this report.

Future Developments

The Board intends to continue to pursue the business strategy as outlined in the strategic report on pages 1 to 31.

Stakeholder Involvement Policies

The Directors believe that the involvement of employees, customers and suppliers is an important part of the business culture and contributes to the successes achieved to date (view our sustainability report on pages 32 and 33).

Equal Opportunities

The Group is committed to eliminating discrimination and encouraging diversity. Its aim is that its people will be truly representative of all sections of society and that each person feels respected and is able to perform to the best of their ability. The Group aims for its people to reflect the businesses diverse customer base.

The Group will not make assumptions about a person's ability to carry out their work, for example based on their ethnic origin, gender, sexual orientation, marital status, religion or other philosophical beliefs, age or disability.

Likewise, it won't make general assumptions about capabilities, characteristics and interests of particular groups that may influence the treatment of individuals, the assessment of their abilities and their access to opportunities for training, development and promotion.

Auditor

Crowe U.K. LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The Annual General Meeting ordinary business comprises receipt of the Directors' report and audited financial statements for the period ended 2 July 2022, the re-election of Directors, the reappointment of Crowe U.K LLP as auditor and authorisation of the Directors to determine the auditor's remuneration.

Notice of the AGM date will be sent to shareholders in January 2023.

Approval

The Directors' Report was approved by the Board of Directors on 29 December 2022 and signed on its behalf by Charles Dickson and Douglas Benzie.



Charles Dickson

Douglas Benzie

29 December 2022

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. Under that law and as required by the Alternative Investment Market rules of the London Stock Exchange, the directors have elected to prepare the Group financial statements in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies act 2006 and the Company financial statements in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework".

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 Group and Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies act 2006;
- 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 Group's and 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 requirements of 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.

Website Publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions.

The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the Financial Statements contained therein.

This report was approved by the board on 29 December 2022 and signed on its behalf by:



Charles Dickson

Douglas Benzie



Independent Auditor's Report

Independent Auditor's Report to the Members of Barkby Group Plc.

Opinion

We have audited the financial statements of Barkby Group Plc (the "parent company") and its subsidiaries (the "group") for the period ended 2 July 2022 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosures Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 2 July 2022 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we

have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's assessment of going concern and the underlying financial projections which support that assessment;
- testing to ensure the mathematical accuracy of the model presented;
- reviewing the assumptions used about future cash flows and timings;
- challenging the basis of management's estimates and assumptions in relation to profitability and cash flow for each business and available cost mitigations;
- confirming the existence of facilities which will be relied on;
- considering a range of sensitivities to assess reasonably likely changes to key inputs; and
- reviewing the appropriateness of the disclosures in the financial statements.

Based on the audit work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant section of this report.

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

- £170,000 (2021: £218,000) is the group level of materiality determined for the financial statements as a whole, this has been determined based on approximately 5% of the consolidated result for the

Independent Auditor's Report continued

period normalised to exclude impairment charges. As the group is a diversified trading group we determined that a trading based metric was the most appropriate to use for determining materiality.

- £120,000 (2021: £164,000) is the group level of performance materiality. Performance materiality is used to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.
- £6,000 (2021: £6,000) is the group level of triviality agreed with the Audit Committee. Errors above this threshold are reported to the Audit Committee, errors below this threshold would also be reported to the Audit Committee if, in our opinion as auditor, disclosure was required on qualitative grounds.

The parent company materiality was assessed as £60,000 (2021: £110,000) Parent company performance materiality was £42,000 (2021: £82,000).

Overview of the scope of our audit

We audited all of the significant components of the group, all of which operate in the UK.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to going concern which, we also considered to be a key audit matter, set out below are those matters which we identified as key audit matters. This is not a complete list of all risks identified by our audit.

Key audit matter

Classification and presentation of discontinued activities in the financial statements

Primary statements. Note 32

On 18 July the group announced its plans to dispose of certain sections of the business, being Workshop, Cambridge Sleep Sciences and Centurian Automotive.

The timing of the decision to dispose (and other matters included in IFRS 5 – Non-current assets Held for Sale and Discontinued Operations) impacts the presentation in the financial statements.

We considered the risk that the classification and presentation of discontinued activities may not be in accordance with IFRS 5 and may not fairly present the performance of the group

How the scope of our audit addressed the key audit matter

We challenged management on the basis for the presentation adopted.

We reviewed evidence in Board minutes, non-disclosure agreements with potential buyers, Investor Memorandums, correspondence with corporate advisers and interested party lists for each of the entities in the disposal group.

In addition:

- We agreed the transfer of the assets and liabilities of the disposal group entities to their respective separate lines on the statement of financial position
- We agreed the assets and liabilities transferred to the audited entity trial balances
- We recalculated the result from discontinued operations including the write off of any unrecoverable goodwill
- We considered the appropriateness of disclosures in the financial statements

Key audit matter**Impairment of goodwill***Note 17*

The Group's intangible assets predominantly comprised goodwill arising from the reverse acquisition in January 2020. Goodwill was fully impaired at 2 July 2022 (1 July 2021: £8m).

There is a risk that goodwill is misstated due to the judgment inherent in an impairment calculation.

How the scope of our audit addressed the key audit matter

We obtained management's assessment of goodwill impairment and discussed the key inputs into the assessment with management.

We performed audit procedures, including challenge regarding reasonableness on the inputs into the model as follows:

- the forecast cash flows within the assessment period;
- the expected growth rate; and
- the discount rate applied to the forecast.

We considered managements' sensitivity analysis and also performed an additional range of sensitivities to assess whether a reasonably likely change to a key input would result in changes to the impairment charges recognised.

For the parent company we identified one key audit matter:

Carrying value of investments in subsidiaries and intercompany receivables*Note 18*

At the reporting date the carrying value of investments in subsidiaries in the balance sheet of the parent entity was £21.6 million (2021: £26.2 million) and amounts receivable from subsidiaries was £0.3 million (2021: £0.8 million).

Although the carrying value was less than in the prior year due to an impairment charge in the period, we considered the risk that the carrying value of investments in subsidiaries and intercompany receivables should be further impaired. Any impairment of investments in subsidiaries or intercompany receivables would reduce distributable profits and potentially impact the ability of the parent company to pay dividends.

We obtained management's assessment of the impairment of investments in subsidiaries and intercompany receivables. Our scope specifically considered the following matters:

- the appropriateness of the assumptions used by management in assessing the ability of the subsidiary companies to generate cash and remit that to the parent company; and
- the mathematical accuracy of the underlying forecasts
- recalculation of the impairment recognised
- the appropriateness of the disclosure

Independent Auditor's Report continued

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

As explained more fully in the directors' responsibilities statement set out on page 48, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and taxation legislation in the UK which is the principal jurisdiction in which the Group operates.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing

standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

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.



Stephen Bullock

Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

29 December 2022

Statement of profit or loss and other comprehensive income

For the year ended 2 July 2022

	Notes	Group	
		Year ended 2 July 2022 £'000s	Year ended 1 July 2021 £'000s
Continuing operations			
Revenue	5	10,298	2,824
Cost of sales	7	(5,846)	(2,210)
Gross profit		4,452	614
Other operating income	6	83	289
Administrative expenses	7	(4,182)	(2,865)
Movement in fair values		1,250	-
Profit/(loss) from continuing operations before impairment of goodwill		1,603	(1,962)
Impairment of goodwill		(6,296)	-
Loss from continuing operations		(4,693)	(1,962)
Finance expense	7	(989)	(599)
Finance income		55	40
Loss from continuing operations before tax		(5,627)	(2,521)
Income tax credit	8	21	-
Loss for the year from continuing operations		(5,606)	(2,521)
Discontinued operations			
Loss for the year from discontinued operations	32	(3,908)	(1,857)
Loss and total comprehensive income for the period		(9,514)	(4,378)
Loss for the year is attributable to:			
Non-controlling interest included in discontinued operations		(190)	(164)
Owners of Barkby Group Plc	25	(9,324)	(4,214)
		(9,514)	(4,378)
		Pence	Pence
Loss per share for profit attributable to the owners of Barkby Group Plc			
Basic and diluted loss per share from continuing operations	36	(4.02)	(1.85)
Basic and diluted loss per share from discontinued operations	36	(2.66)	(1.24)
		(6.68)	(3.09)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 2 July 2022

	Notes	Group	
		2 July 2022 £'000s	1 July 2021 £'000s
Assets			
Non-current assets			
Property, plant and equipment	15	2,454	1,480
Intangible assets	17	31	8,503
Right-of-use assets	16	2,539	2,977
Investment property	37	4,652	-
Investments	18	-	2,542
Other non-current assets	14	83	219
Total non-current assets		9,759	15,721
Current assets			
Inventory	12	1,883	6,096
Trade and other receivables	10	648	220
Contract assets	11	13	-
Prepayments		262	380
Other current assets	13	39	84
Cash and cash equivalents	9	33	84
		2,878	6,864
Assets of disposal groups held for sale		5,060	-
Total current assets		7,938	6,864
Total assets		17,697	22,585
Liabilities			
Current liabilities			
Trade payables		(2,136)	(1,826)
Borrowings	19	(4,016)	(7,395)
Lease liabilities	20	(491)	(531)
Income tax	21	-	(25)
Other current liabilities	22	(5,350)	(4,347)
		(11,993)	(14,124)
Liabilities of disposal groups held for sale		(7,077)	-
Total current liabilities		(19,070)	(14,124)
Non-current liabilities			
Borrowings	19	(3,708)	(4,652)
Lease liabilities	20	(2,571)	(2,938)
Provisions	23	(48)	(48)
Total non-current liabilities		(6,327)	(7,638)
Total liabilities		(25,397)	(21,762)
Net assets/(liabilities)		(7,700)	823
Equity			
Share capital	24	1,233	1,179
Share premium	26	5,430	4,493
Merger reserve	26	(422)	(422)
Issued equity		6,241	5,250
Retained losses	25	(14,655)	(4,219)
Fair value reserve	37	1,250	-
Equity attributable to the owners of Barkby Group Plc		(7,164)	1,031
Non-controlling interest	33	(536)	(208)
Total equity		(7,700)	823

The above statement of financial position should be read in conjunction with the accompanying notes.

The Financial Statements were approved by the Board of Directors on 29 December 2022 and were signed by Charles Dickson and Douglas Benzie.



Statement of financial position

As at 2 July 2022

	Notes	Company	
		2 July 2022 £'000s	1 July 2021 £'000s
Assets			
Non-current assets			
Property, plant and equipment	15	1,536	1,084
Intangible assets	17	31	1,126
Right-of-use assets	16	2,539	2,874
Investments	18	21,645	26,159
Other non-current assets	14	83	83
Total non-current assets		25,834	31,326
Current assets			
Inventory	12	116	105
Trade and other receivables		81	32
Receivable from subsidiary undertaking		292	809
Contract assets		13	-
Other current assets		57	51
Prepayments		222	143
Cash and cash equivalents	9	31	11
Total current assets		812	1,151
Total assets		26,646	32,477
Liabilities			
Current liabilities			
Trade and other payables		(1,213)	(830)
Other current liabilities	22	(3,300)	(2,173)
Borrowings	19	(1,024)	(914)
Lease liabilities	20	(491)	(432)
Payable to subsidiary undertaking		(1,315)	-
Total current liabilities		(7,343)	(4,349)
Non-current liabilities			
Borrowings	19	(616)	(683)
Lease liabilities	20	(2,571)	(2,871)
Provisions	23	(48)	(48)
Total non-current liabilities		(3,235)	(3,602)
Total liabilities		(10,578)	(7,951)
Net assets / (liabilities)		16,068	24,526
Equity			
Share capital	24	1,233	1,179
Share premium	26	5,430	4,493
Capital redemption reserve	26	-	-
Merger relief reserve	26	29,747	29,747
Retained losses	25	(20,342)	(10,893)
Total equity		16,068	24,526

The loss for the year ended 2 July 2022 for the Company was £9,449,000 (Loss for the year ended 1 July 2021: £9,292,000).

The above statement of financial position should be read in conjunction with the accompanying notes.

The Financial Statements of Barkby Group Plc (company number 07139678) were approved by the Board of Directors on 29 December 2022 and were signed by Charles Dickson and Douglas Benzie.



Statement of changes in equity

For the year ended 2 July 2022

	Share capital £'000s	Share premium £'000s	Merger reserve £'000s	Fair value reserve	Profit and loss reserve £'000s	Non-controlling interest £'000s	Total equity £'000s
Group							
Balance at 2 July 2020	1,164	4,323	(422)	-	(5)	(44)	5,016
Loss after income tax and total comprehensive loss for the year	-	-	-	-	(4,214)	(164)	(4,378)
Shares issued to settle deferred consideration	2	58	-	-	-	-	60
Transactions with owners in their capacity as owners:							
Shares issued following the exercise of Warrants	13	112	-	-	-	-	125
Balance at 1 July 2021	1,179	4,493	(422)	-	(4,219)	(208)	823
Loss after income tax and total comprehensive income for the year	-	-	-	-	(9,324)	(190)	(9,514)
Transfer to fair value reserve	-	-	-	1,250	(1,250)	-	-
Transactions with owners in their capacity as owners:							
Shares issued to settle deferred and contingent consideration	18	283	-	-	-	-	301
Shares issued to settle liabilities	9	148	-	-	-	-	157
Restricted shares issued	7	126	-	-	-	-	133
Increase in non-controlling interest ^(a)	-	-	-	-	138	(138)	-
Shares issued for cash proceeds	5	95	-	-	-	-	100
Shares issued to cancel interest and debt ^(b)	15	285	-	-	-	-	300
Balance at 2 July 2022	1,233	5,430	(422)	1,250	(14,655)	(536)	(7,700)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes

- (a) The non-controlling interest increased their stake in Cambridge Sleep Sciences Limited from 15% to 25% in the year.
(b) Shares issued to cancel debt and interest were issued to Tarncourt Investments LLP.

Statement of changes in equity

For the year ended 2 July 2022

	Share capital £'000s	Share premium £'000s	Merger relief reserve £'000s	Profit and loss reserve £'000s	Total equity £'000s
Company					
Balance at 3 July 2020	1,164	4,323	29,747	(1,601)	33,633
Loss after income tax and total comprehensive income for the year	-	-	-	(9,292)	(9,292)
Shares issued to settle deferred consideration	2	58	-	-	60
Transactions with owners in their capacity as owners:					
Shares issued for cash	13	112	-	-	125
Balance at 1 July 2021	1,179	4,493	29,747	(10,893)	24,526
Profit after income tax and total comprehensive income for the year	-	-	-	(9,449)	(9,449)
Transactions with owners in their capacity as owners:					
Shares issued to settle deferred and contingent consideration	18	283	-	-	301
Shares issued to settle liabilities	9	148	-	-	157
Restricted shares issued	7	126	-	-	133
Shares issued for cash proceeds	5	95	-	-	100
Shares issued to cancel debt and interest	15	285	-	-	300
Balance at 2 July 2022	1,233	5,430	29,747	(20,342)	16,068

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 2 July 2022

	Notes	Group	
		Year ended 2 July 2022 £'000s	Year ended 1 July 2021 £'000s
Cash flows from operating activities			
Loss before tax from continuing operations		(5,627)	(2,521)
Loss before tax from discontinued operations		(3,991)	(1,857)
Loss before tax		(9,618)	(4,378)
Adjustments to reconcile loss before tax to net cash flows			
Depreciation of property, plant and equipment and right-of-use assets		789	774
Amortisation of intangible assets		169	137
Impairment of goodwill		8,037	-
Loss on disposal of property, plant and equipment		166	-
Fair value movement in investment property		(1,250)	-
Finance income		(55)	(40)
Finance expense		1,551	978
Working capital changes			
Decrease in trade and other receivables, contract assets and prepayments		91	5,630
Decrease/(increase) in inventories		694	(1,870)
Increase in trade and other payables		3,374	2,517
Total working capital changes		4,159	6,277
Interest paid		(514)	(720)
Interest received		55	24
Income tax paid		(25)	(82)
		(484)	(778)
Net cash flow from operating activities		3,464	2,970
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	32	-	(55)
Purchase of investments		-	(500)
Disposal of investments		1,920	-
Purchase of investment property		(3,402)	-
Purchase of property, plant and equipment		(1,628)	(264)
Purchase of intangible assets		(38)	(285)
Net cash used in investing activities		(3,148)	(1,104)
Cash flows from financing activities			
Proceeds from issue of shares		100	125
Proceeds from borrowings		9,424	14,472
Repayment of borrowings		(9,666)	(15,200)
Repayment of lease liabilities		(581)	(310)
Net cash used in financing activities		(723)	(913)
Net increase/(decrease) in cash and cash equivalents		(407)	953
Cash and cash equivalents at the beginning of the financial year		(221)	(1,174)
Cash and cash equivalents at the end of the financial year		(628)	(221)
Cash and cash equivalents of continuing operations at the end of the financial year	9	(617)	(221)
Cash and cash equivalents of discontinued operations at the end of the financial year		(11)	-

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the period ended 2 July 2022

Note 1. Company information

The consolidated financial statements of Barkby Group Plc for the year ended 2 July 2022 were authorised for issue in accordance with a resolution of the directors on 29 December 2022. Barkby Group Plc is a public limited company incorporated and domiciled in the UK. The company's number is 07139678 and the registered office is located at 115b Innovation Drive, Milton, Abingdon, Oxfordshire OX14 4RZ.

The Group's principal continuing activities consist of real estate investment and development and Barkby Pubs. During the year ended 2 July 2022, the Group decided to dispose of its Investments businesses consisting of Workshop Coffee (a speciality coffee roaster), Centurian Automotive (a premium used car dealership) and Cambridge Sleep Sciences, (manufacturer of SleepHub) which are therefore shown as discontinued activities in these financial statements consumer and hospitality businesses and life sciences.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These consolidated financial statements of Barkby Group Plc (or "the Group") have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS 101"). The following exemptions from the requirements of IFRS have been applied in the preparation of these Company financial statements, in accordance with FRS 101:

- IFRS 7, "Financial Instruments: Disclosures".
- Paragraphs 91 to 99 of IFRS 13, "Fair value measurement" (disclosure of valuation techniques and inputs used for the fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, "Presentation of financial statements" – comparative information in respect of:
 - Paragraph 79(a) (iv) of IAS 1;
 - Paragraph 73(e) of IAS 16 "Property, plant and equipment"; and
 - Paragraph 118(e) of IAS 38, "Intangible assets" (reconciliations between the carrying amounts of the beginning and end of the period).
- The following paragraphs of IAS 1, "Presentation of financial statements":
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for a minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - (cash flow statement information); and
 - 134-136 (capital management disclosures).
- IAS 7, "Statement of cash flows".
- Paragraphs 30 and 31 of IAS 8, "Accounting policies, changes in accounting estimates and errors".
- The requirements in IAS 24, "Related party disclosures" to disclose related party transactions entered into between two or more members of the group.

Notes to the financial statements continued

2 July 2022

Note 2. Significant accounting policies (continued)

Accounting periods

The financial statements have been prepared covering the financial year ended 2 July 2022, in accordance with the Group's new policy of drawing up financial statements to the nearest Saturday to the Group's accounting reference date of 30 June. Previously, the Group drew up financial statements to the nearest Thursday to 30 June. As a result the financial year consists of a 52 week and 2 day period (prior year: 52 weeks). The change to a Saturday was as a result of outsourcing the accounting for the Pub business, aligning the operational week with the outsourcer's existing process.

Therefore, the Group's consolidated financial statements cover the financial year from 2 July 2021 to 2 July 2022, with comparative financial information covering the financial year (52 weeks) 3 July 2020 to 1 July 2021.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are held at fair value and are detailed in the Group's accounting policies. The consolidated financial statements are presented in Pounds Sterling, which is Barkby Group Plc's functional and presentation currency and all values are rounded to the nearest thousand (£'000s) unless otherwise stated.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Barkby Group Plc ('company' or 'parent entity') as at 2 July 2022 and the results of all subsidiaries for the period then ended. Barkby Group Plc and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are only attributed to the non-controlling interest to the extent to which they can be recovered from those parties.

Discontinued operations

The Group classifies disposal group as held for sale if their carrying values will be recovered principally through a sale transaction rather than through their continuing use. Disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of a disposal group, excluding finance costs and income tax expense.

Notes to the financial statements continued

2 July 2022

Note 2. Significant accounting policies (continued)

The criteria for classifying a disposal group as held for sale is regarding as having been met only when a sale is highly probable and the disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be reversed. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of classification.

A disposal group qualifies as discontinued operations if it is a component of an entity that either has been disposed of, or is classified as held for sale and:

- Represents a separate major line of business
- Is part of a single co-ordinated plan to dispose of a separate major line of business.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss and comprehensive income. All other notes to the financial statements include amounts for continuing operations unless otherwise stated.

Following decisions of the Board in June 2022, the Group issued a Trading and Strategy update announcing that the Board had resolved to sell the Workshop Coffee, Cambridge Sleep Sciences and Centurian Automotive businesses. The Group has therefore committed to a plan to sell these businesses, which are available for immediate sale and programmes to locate buyers for each business have been initiated. The directors expect to sell the businesses within the next financial year (ended 30 June 2023).

As a result of this announcement the financial results of the businesses being disposed of are presented as discontinued operations in the statement of profit or loss and total comprehensive income, with their assets and liabilities being presented as assets of disposal groups held for sale and liabilities of disposal groups held for sale in the consolidated statement of financial position.

In addition, the comparative information in the statement of profit or loss and total comprehensive income has been re-presented to show these businesses as discontinued for the year ended 1 July 2021.

Going Concern

Following the impact of Covid-19 and a re-assessment of strategic focus and opportunities, Barkby Group's strategy is now focused on the opportunities that it believes are the most cash generative in the long term, Real Estate and Barkby Pubs. This significantly reduces the cash investment previously required by the early-stage growth business Cambridge Sleep Sciences, and the cash outflows of Centurian Automotive and Workshop Coffee. Accordingly, Cambridge Sleep Sciences, Centurian Automotive and Workshop Coffee have been presented as discontinued operations. The continuing operations of Real Estate and Barkby Pubs generated positive Profit After Tax of £690,000 during the period excluding a one-off charge for impairment of goodwill.

The Board has managed cash tightly despite the disruption caused by Covid-19 over the last two accounting periods. Cash headroom has been increased by refinancing the £5 million Tarncourt facility into a new £12 million facility with an extended expiry date of 30 June 2024.

The Group currently has net cash available of c. £7 million, including the Tarncourt facility, as of December 2022. In addition, the Board have taken the steps of consulting with their major shareholders regarding a potential equity raise and our major shareholders have confirmed their continued support should this become necessary.

Going forward, it is our intention to retain our property developments. This will strengthen the Group's Balance Sheet with high quality investment property assets and provide a reliable and recurring cash flow going forward. This also gives Barkby the opportunity to sell these assets to generate positive cash flow if required.

Despite significant progress being made, the disposal of the discontinued operations has not yet completed, therefore the board has prepared a profitability and cash flow forecast to December 2023 that includes all group companies and reflects a severe but plausible downturn scenario. We expect all discontinued operations to be fully disposed of by the end of the current financial year.

Notes to the financial statements continued

2 July 2022

Note 2. Significant accounting policies (continued)

A key feature of Barkby's businesses is that they have a low fixed cost base. Our Real Estate Business and group function is predominantly flexible costs with no central premises and limited fixed overheads. Our pub workforce is predominantly comprised of employees on flexible contracts.

Key considerations of the severe but plausible worst case scenario are as follows:

Real Estate

A significant proportion of our upcoming developments are already pre-let to high quality tenants on long-term leases. 98.5% of the development space across Maldon and Wellingborough is currently pre-let or in legals. Our tenants are predominantly large corporates, with long-term commitment to expansion. The contractual certainty of the property development pipeline provides a stable underlying cash flow for the group.

Barkby Pubs

Barkby operates premium pubs with rooms located in areas of outstanding natural beauty that are popular with tourists and serve a captive market of local communities. The directors anticipate this segment of the hospitality industry will remain robust going forward, as it is not focussed on city centres and congested spaces.

We have experienced an increased demand for staycations as a result of ongoing uncertainty and appetite for international holiday travel, as well as reduced flight availability and significant increases in air fares. We have also retained our customer goodwill by avoiding significant price increases and cost cutting measures that could have impacted quality and service.

The Pubs business plan is to increase the size of the estate however we are not committed to any acquisitions and can therefore reduce cash outflows by delaying expansion if necessary.

Centurian Automotive

The plausible worst case scenario envisages a period of ongoing financial support to Centurian Automotive and no proceeds from the sale of the business.

Workshop Coffee

Since lockdown restrictions eased, revenue has increased steadily in the wholesale division. However, London retail shops have not returned to profitability, therefore all but one have been closed. The management team completed a strategic review during the year, which resulted in a significant reduction in Workshop's cost base, including a reduction in headcount and relocating the roastery to cheaper premises. The plausible worst case scenario envisages a period of ongoing financial support to Workshop Coffee and minimal proceeds from the sale of the business based on current indicative offers.

Cambridge Sleep Sciences

Cambridge Sleep Sciences is operating from a significantly reduced central overhead whilst it focuses on raising additional investment. The plausible worst case scenario envisages a period of ongoing financial support to Cambridge Sleep Sciences followed by minimal proceeds from sale based on current indicative offers.

Group overhead

The cost of the group function can be flexed as required to adapt to the growth and profitability of the subsidiary companies. There are only a small number of long-term contracted costs, and all other costs can be reduced in the short term. If trading conditions did not meet expectation, the group could further reduce costs.

Debt and Borrowings

The group currently has the following third party debt:

Tarcourt: The Tarcourt facility is a related party facility owed to a vehicle controlled by the Dickson Family. The board has received confirmation that this facility will be extended until 30 June 2024, with no payments required until that date.

HSBC: The group banks with HSBC across the majority of its companies. The bank has been supportive in providing working capital facilities (overdraft and CBIL) to meet the company's requirements. Approximately half The CBIL has now been repaid in line with the original agreement. The directors maintain regular communication with HSBC and maintain an open dialogue regarding future funding requirements. For the purpose of the going concern projection, the directors have assumed that the overdraft limit is reduced.

Notes to the financial statements continued

2 July 2022

Note 2. Significant accounting policies (continued)

Other facilities: There are a number of smaller legacy borrowings in place within the group subsidiaries. The cash flow forecast assumes these facilities are repaid in accordance with their contractual terms.

Centurian stocking finance: Centurian utilises short term stocking finance facilities secured against specific vehicles.

The Group had net cash available of approximately £7 million as at December 2022 including the Tarncourt facility. Barkby did not raise any external equity during the pandemic. Therefore, the board is confident that its shareholders would be supportive if additional funding was required.

Summary

Barkby is in the process of a strategic restructuring, which will result in its focus being solely on its most cash generative business units. In addition, Barkby will hold its commercial property developments going forward, providing a reliable source of recurring income and cash flow, as well as high quality investment property assets with equity value that can be unlocked via sale if needed. Despite the disruption of the last few years and the current macro-economic uncertainty, management considers that Barkby's pub business is well positioned for a return to profitability and that the Group is in a strong position to benefit from long term customer loyalty and demand. Based on its profitability and cash flow forecasts that incorporate assumptions that reflect a severe but plausible downturn scenario the directors consider going concern basis of preparation to be an appropriate basis for the preparation of these financial statements.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

Foreign currency transactions are translated into Pounds Sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The Group recognises revenue as follows:

Property business – Revenue from contracts with customers

Real estate revenue principally consists of the development and ultimately the sale of real estate sites. Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of

the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects changes to specifications required by customers and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved.

Notes to the financial statements continued

2 July 2022

Note 2. Significant accounting policies (continued)

Consumer & Hospitality business revenue

Consumer and hospitality revenue principally consists of the sale of coffee and associated equipment, and food and drink (Workshop Coffee), food, drink and accommodation (Barkby Pubs) and premium used cars and associated services (Centurian Automotive). These are broadly divided into the sale of goods and the rendering of services.

Sale of goods (also applies to Life Sciences business)

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery or consumption by the customer.

Revenue from the sale of food and drink is recognised when the customer has both been served and has paid for their bill (or it is added to an agreed account or room bill). Customers typically either pay on ordering (drinks, café style food and takeaways) or settle their bills when they are ready to leave.

Revenue from the sale by mail order of coffee and associated equipment is recognised when the product is shipped to the customer based on a confirmed, paid for order.

Revenue from the sale of a car is recognised when the car is delivered to the customer, or the customer drives the car away from the showroom. For the vast majority of sales the customer pays or arranges financing in advance of taking control of the car.

Rendering of services

Revenue from accommodation is recognised on a daily basis following check-in by the customer at the value agreed with the customer for that booking.

Revenue from services associated with the sale of a car is recognised at the later of the point of the receipt of the specific service or the sale of the car.

Other revenue

Other revenue is recognised when it is received or when the unconditional right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Notes to the financial statements continued

2 July 2022

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash in transit, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value transaction price and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Inventories

Raw materials, being food and drink supplies, coffee beans and other items for consumption within the business, work in progress on real estate projects, vehicle stock and electronic devices are stated at the lower of cost and net realisable value. Cost comprises direct materials and delivery costs, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the financial statements continued

2 July 2022

Note 2. Significant accounting policies (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Investments in subsidiaries which are held at cost less impairment

Investments in subsidiary companies are initially recognised at cost and reviewed for indicators of impairment. Impairment charges are recognised when the recoverable amount of the investment is less than its carrying value.

Property, plant and equipment

Plant, property and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Notes to the financial statements continued

2 July 2022

Note 2. Significant accounting policies (continued)**Freehold land is not depreciated.**

For all other property, plant and equipment, depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Freehold buildings	Up to 100 years
Leasehold improvements	3-10 years or over the lifetime of lease
Plant and equipment	3-7 years
Computer equipment	3 years
Furniture & Fixtures	5 years
Right of use assets	Life time of the leasing arrangement

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs

incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

During the year ended 1 July 2021 the Group negotiated reductions in lease payments with landlords as a result of the Covid-19 pandemic and its effect on the Group's business. The Group has utilised the amendment to IFRS 16 for Covid-19 related rent concessions and has accounted for the concessions in the form of forgiveness of lease payments as a resolution of a contingency that fixes previously variable lease payments. This has resulted in the Group reducing the lease liability with a corresponding adjustment to the right-of-use asset.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Investment property

Investment properties are properties which the Group owns, does not occupy for its own use and are held for either long term rental yields, or capital appreciation, or both. Investment properties also include property that is being developed or constructed for future use as investment property by the Group.

Investment properties comprise freehold land and buildings and are measured at fair value.

At the end of a financial period the fair value are determine by a range of valuation techniques, including independent valuations prepared in accordance with the current edition of the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors and valuations prepared based on the discounted future net cash inflows the site is expected to generate in its forecast use, taking into account the current status of the site and the expected costs to complete the development. These fair value based on these development appraisals, therefore reflects current market conditions, future rental income (where lease

Notes to the financial statements continued

2 July 2022

Note 2. Significant accounting policies (continued)

agreements have been contractual agreed) and the residual value of site after taking into account the costs and revenue from the development of the property.

There are a number of significant assumptions in these development appraisal valuations and a change in these assumptions could result in a significant change in the fair value of investment properties and therefore have a material effect on the Group's results.

A transfer to the fair value reserve is made for all fair value gains in the period from retained earnings. Where there have been previous fair value gains transferred to the fair value reserve and fair value losses have been incurred in the year then a transfer is made to retained earnings to offset as much of the fair value losses as possible.

At each subsequent reporting date, investment properties are re-measured to their fair value. Movements in fair value are included in the income statement.

During the year ended 2 July 2022, two of the Group's sites, Wellingborough and Maldon, were acquired and accounted for as Investment Properties. Development work commenced on both sites prior to 2 July 2022. There were no sites accounted for as investment property in the year ended 1 July 2021.

Development properties

Development properties are valued at the lower of cost and net realisable value. Cost includes the costs of purchasing the property and the costs of developing the property to its current condition. When the property has been transferred from investment property, cost includes the fair value of the property at the point it is transferred to development as its deemed cost. Net realisable value reflects the estimated selling price of the property less the costs to complete the development and sell the property.

A transfer from the fair value reserve to retained earnings is made if any net realisable value provision is required on any development property where gains had previously been recorded as an investment property.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost.

Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Product design and development

Research costs are expensed in the period in which they are incurred. Development costs, including product design costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Notes to the financial statements continued

2 July 2022

Note 2. Significant accounting policies (continued)

Patents, trademarks and other intellectual property

Significant costs associated with patents, trademarks and the acquisition of other intellectual property licenses are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Notes to the financial statements continued

2 July 2022

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution pension contributions

Contributions to defined contribution pension plans are expensed in the period in which they are incurred.

Share based employee benefits

Employee benefits that will be or have been settled by the issuance of shares are accounted for in accordance with IFRS 2, and are described in the accounting policy for Share based payments below.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued equity

Issued equity consists of the Company's share capital, share premium and capital redemption reserve, together with the other equity reserve in Group's consolidated financial statements. Ordinary shares are classified as equity.

The difference between the nominal value of the shares issued and the actual value relating to the specific transaction is accounted for as share premium, unless:

1. The Company is issuing shares to acquire the share capital of another company, in which case as long as the shares issued represent greater than 90% of the consideration, the excess of the value of the shares issued over their nominal value is recorded in the merger reserve, or
2. The Group is undertaking a reverse takeover, in which case the excess of the value of the share issued over their nominal value is recorded in the other equity reserve.

The other equity reserve reflects the accounting required by the reverse takeover transactions such that the issued equity at the point of transaction equals the equity of the Dickson Controlled Entities plus that notional consideration for the acquisition of Barkby Group. Pre-acquisition, the other reserve adjusts the Company's equity to that of the Dickson Controlled Entities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the financial statements continued

2 July 2022

Note 2. Significant accounting policies (continued)

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Share based payments

The Company has issued shares to settle a variety of liabilities during the year, including third party creditors, deferred and contingent consideration, interest and partial loan balance on the Tarncourt facility and a restricted stock grant to a director.

Where the shares have been issued to settle a financial liability that has a fixed monetary value, the shares issued have been valued at that fixed value.

Restricted stock is valued at the date of the grant, with the expense being recognised in profit or loss over the restricted period.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Notes to the financial statements continued

2 July 2022

Note 2. Significant accounting policies (continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Barkby Group Plc, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Value-Added Tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Furlough payments

The Group took advantage of the Government's Coronavirus Job Retention Scheme (furlough) and has furloughed staff and claimed money under the scheme in the year ended 1 July 2021. There has been no furloughing of staff in the year ended 2 July 2022.

The Group has accounted for the receipts from the Government in the prior year as a reduction in the overall wages and salaries costs, in the period in which the amount claimed relates to. The amounts claimed in the year ended 1 July 2021 and resultant reduction in salaries and wages costs are shown in Note 7.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand Pounds Sterling, or in certain cases, the nearest Pound Sterling.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting year ended 2 July 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Notes to the financial statements continued

2 July 2022

Note 3. Critical accounting judgements, estimates and assumptions (continued)**Goodwill, other indefinite life intangibles and investments in subsidiaries**

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill, other indefinite life intangible assets and the parent company's investments in subsidiaries have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. The impairment assessment is detailed in Note 17. Non-current assets-intangibles and Note 18. Investments.

Estimation of fair value of investment properties

The fair value of investment property reflects, amongst other things, assumptions about rental income from future leases and the possible outcome of planning applications in consideration of current market conditions. Where fair value is based on their ultimate redevelopment potential, the valuation has been arrived at based on development appraisals undertaken to estimate the residual value of the landholding after due regard to the cost of, and revenue from, the development of the property.

The Directors' values reported are based on significant assumptions and a change in fair values could have a material impact on the Group's results. This is due to the sensitivity of fair value to the assumptions made as regards to variances in development costs compared to management's own estimates.

Investment properties are disclosed in note 37.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 4. Operating segments**Identification of reportable operating segments**

The Group's continuing operations are organised into two operating segments based on differences in products and services provided: Real Estate and Barkby Pubs. These operating segments are based on the internal reports that are reviewed and used by the Executive Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM review profitability, working capital and cash flow. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Discontinued operations that now form a disposal group were previously shown as separate operating segments.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Real Estate	Acquisition and subsequent development of parcels of land for resale.
Barkby Pubs	(High quality pubs with accommodation) The Barkby Pubs segment includes the Group's central costs and the Group's treasury function.

Notes to the financial statements continued

2 July 2022

Note 4. Operating segments (continued)**Intersegment transactions**

There was minimal intersegment trading during the year ended 2 July 2022 and the year ended 2 July 2021. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

The intersegment receivables and payables represent the day to day funding of the Group's businesses between Barkby Pubs, acting as the Group's treasury function and the rest of the Group's subsidiaries.

Intersegment balances are initially recognised at the consideration received. Intersegment receivables and payables that earn or incur interest do so at a market rate. Non-interest bearing balances repayable on demand are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating segment information

	Real Estate £'000s	Barkby Pubs £'000s	Total £'000s
Group - 2022			
Revenue			
Sales to external customers	4,309	5,989	10,298
Intersegment sales	-	-	-
Total revenue	4,309	5,989	10,298
Cost of sales	(1,808)	(4,038)	(5,846)
Gross profit	2,501	1,951	4,452
Administrative expenses	(268)	(3,914)	(4,182)
Other income	-	83	83
Movement in fair values	1,250	-	1,250
Impairment of goodwill	-	(6,296)	(6,296)
Net finance costs	(653)	(281)	(934)
Profit/(loss) before income tax expense	2,830	(8,457)	(5,627)
Income tax expense	21	-	21
Profit/(loss) after income tax expense	2,851	(8,457)	(5,606)
Included within administrative expenses:			
Group costs	-	(2,033)	(2,033)
Depreciation and amortisation	(1)	(545)	(546)
Assets			
Segment assets	8,272	26,489	34,761
Intersegment eliminations			(22,124)
Total assets			12,637
Total assets includes:			
Acquisition of non-current assets	3,402	1,542	4,944
Liabilities			
Segment liabilities	(8,214)	(22,219)	(30,433)
Intersegment eliminations			12,113
Total liabilities			(18,320)

Notes to the financial statements continued

2 July 2022

Note 4. Operating segments (continued)

Operating segment information

	Real Estate £'000s	Barkby Pubs £'000s	Total £'000s
Group - 2021			
Revenue			
Sales to external customers	114	2,710	2,824
Intersegment sales	-	-	-
Total revenue	114	2,710	2,824
Cost of sales	(107)	(2,103)	(2,210)
Gross profit	7	607	614
Administrative expenses	(74)	(2,791)	(2,865)
Other income	4	285	289
Net finance costs	(416)	(143)	(559)
Profit/(loss) before income tax expense	(479)	(2,042)	(2,521)
Income tax expense	-	-	-
Profit/(loss) after income tax expense	(479)	(2,042)	(2,521)
Included within administrative expenses:			
Group costs	-	(1,350)	(1,350)
Depreciation and amortisation	(1)	(483)	(484)
Assets			
Segment assets	8,245	32,656	40,901
Intersegment eliminations	-	-	(25,523)
Discontinued assets	-	-	7,207
Total assets			22,585
Total assets includes:			
Acquisition of non-current assets	-	1,270	1,270
Liabilities			
Segment liabilities	(7,522)	(7,909)	(15,431)
Intersegment eliminations	-	-	8,429
Discontinued liabilities	-	-	(14,760)
Total liabilities	-	-	(21,762)

All revenues from continuing operations in both financial years were from sales to customers located within the United Kingdom.

Notes to the financial statements continued

2 July 2022

Note 5. Revenue**From continuing operations**

	Group	
	2022 £'000s	2021 £'000s
Revenue from contracts with customers		
Sale of real estate property	4,309	114
Other revenue		
Food and drink	4,728	2,252
Accommodation	1,261	458
Revenue	10,298	2,824

Note 6. Other income**From continuing operations**

	Group	
	2022 £'000s	2021 £'000s
Covid-19 grants	31	237
Recovery of costs from related parties	26	48
Miscellaneous items	26	4
Other income	83	289

Covid-19 grants

These grants are income received from local government available as a result of the restrictions placed on the Group's businesses as a result of the various lockdowns imposed as a result of the Covid-19 pandemic.

Recovery of costs from related parties

The group provides finance and administration services to certain related parties. The costs associated with these services are charged to the relevant related party.

Notes to the financial statements continued

2 July 2022

Note 7. Expenses

	Group	
	2022 £'000s	2021 £'000s
Profit before income tax includes the following specific expenses:		
Cost of sales		
Property cost of sales - purchases	1,808	107
Barkby Pubs cost of sales - purchases	1,602	842
Barkby Pubs costs of sales - employee costs	2,436	1,261
	5,846	2,210
Administration expenses		
Employee costs	1,410	958
Professional fees	514	504
Buildings and facility related costs	977	584
Depreciation and amortisation (see below)	546	484
Other administrative costs	655	307
Advertising and promotion	80	28
	4,182	2,865
Depreciation - owned assets		
Leasehold improvements	3	83
Freehold buildings	3	3
Plant and equipment	49	49
Fixtures and fittings	76	101
Computer equipment	50	45
	181	171
Depreciation - right of use assets		
Pubs	345	291
Amortisation		
Computer software	24	22
Total depreciation and amortisation	549	484
Finance costs		
Interest and finance charges paid/payable on borrowings	814	412
Interest and finance charges paid/payable on lease liabilities	175	147
Finance costs expensed	989	559

Notes to the financial statements continued

2 July 2022

Note 7. Expenses (continued)

	Group	
	2022 £'000s	2021 £'000s
Net foreign exchange loss		
Net foreign exchange loss	(1)	-
Leases		
Variable lease payments	16	24
Short-term and low-value lease payments	149	61
	165	85
Pension expense		
Defined contribution pension contributions	109	41
Employee costs		
Wages and salaries	3,385	1,981
Social security costs	258	134
Other employee related costs	94	64
Pensions costs	109	41
	3,846	2,220
Employee costs are charged to both Cost of sales and Administration expenses as follows:		
Employee costs within cost of sales	2,436	958
Employee costs within administration expenses	1,410	1,262
	3,846	2,220
Furlough claims		
Employee costs are net of the following amount claimed under the Coronavirus Job Retention Scheme		
Barkby Pubs (and group functions)	-	484
	-	484
Employee numbers		
The group employed the following numbers of people on average during the financial period		
Barkby Pubs (and group function)	162	118
Auditors Remuneration		
Fees for auditing these accounts	43	32
Other Services		
Fees for the auditing the financial statements of the Group's other subsidiaries	77	58
	120	90

Notes to the financial statements continued

2 July 2022

Note 8. Income tax expense

	Group	
	2022 £'000s	2021 £'000s
Income tax expense		
UK corporation tax charge	-	-
Adjustment recognised for prior periods	(104)	-
Aggregate income tax expense	(104)	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(9,618)	(4,378)
Tax credit at the statutory tax rate of 19%	(1,826)	(832)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Goodwill impairment non-deductible for tax purpose	1,527	-
Expenses non-deductible for tax purpose	115	38
Deferred tax asset not recognised	184	794
Adjustment recognised for prior periods	(104)	-
Change to Income tax expense/(credit)	(104)	-
Income tax expense/(credit) from continuing operations	(21)	-
Income tax credit from discontinuing operations	(83)	-

Deferred tax assets totalling £4,308,000 relating to tax losses have not been recognised at 2 July 2022 (£4,124,000 at 1 July 2021).

Note 9. Current assets – cash and cash equivalents

	Group	
	2 July 2022 £'000s	1 July 2021 £'000s
Cash at bank	2	70
Cash in transit	28	10
Petty cash	3	4
	33	84
Reconciliation to cash and cash equivalents at the end of the financial year		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	33	84
Bank overdraft (note 35)	(650)	(305)
Balance as per statement of cash flows	(617)	(221)

	Company	
	2 July 2022 £'000s	1 July 2021 £'000s
Cash in transit	28	10
Petty cash	3	1
	31	11

Note 10. Current assets – trade and other receivables

	Group	
	2 July 2022 £'000s	1 July 2021 £'000s
Trade receivables	11	131
Less: Allowance for expected credit losses	-	(33)
Receivable from employee	-	122
Other receivable	637	-
	648	220

Notes to the financial statements continued

2 July 2022

Other receivable

The other receivable relates to the sale of the Verso Biosense loan notes. This was received in August 2022.

Note 11. Current assets - contract assets

	Group	
	2 July 2022 £'000s	1 July 2021 £'000s
Contract assets	13	4,898
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	-	4,898
Additions	135	-
Transfer to trade receivables	(122)	(4,898)
Closing balance	13	-

The contract assets balance at 1 July 2021 related to the Hastings development in the Group's Real Estate business. The balance was invoiced in the year ended 2 July 2022 following the completion and handover of the development.

Note 12. Current assets - inventories

	Group	
	2 July 2022 £'000s	1 July 2021 £'000s
Food, drink and other raw materials	116	233
Property development work in progress	1,767	2,085
Vehicle inventory	-	3,400
Electronic devices	-	433
Provision for obsolete inventory	-	(55)
	1,883	6,096

	Company	
	2 July 2022 £'000s	1 July 2021 £'000s
Food, drink and other raw materials	116	105

Note 13. Current assets - other

	Group	
	2 July 2022 £'000s	1 July 2021 £'000s
VAT recoverable	17	14
Other current assets	22	70
	39	84

Note 14. Other non-current assets

	Group and Company	
	2 July 2022 £'000s	1 July 2021 £'000s
Lease and contract deposits	83	219

The deposits are held by the lessors of the leased pubs. The discounting on the deposits is not considered material.

Notes to the financial statements continued

2 July 2022

Note 15. Non-current assets – property, plant and equipment

	Land and buildings £'000s	Leasehold improvements £'000s	Plant and equipment £'000s	Computer equipment £'000s	Fixtures and fittings £'000s	Total £'000s
Group						
Cost						
Balance at 2 July 2020	672	935	730	245	886	3,468
Additions in period	-	14	185	40	25	264
Disposals in period	-	-	(2)	-	-	(2)
Balance at 1 July 2021	672	949	913	285	911	3,730
Additions in year	1,154	135	103	23	213	1,628
Disposals in year	-	(485)	-	-	-	(485)
Reclassification to assets of disposal group held for resale	-	(505)	(628)	(135)	(303)	(1,571)
Balance at 2 July 2022	1,826	94	388	173	821	3,302
Accumulated depreciation						
Balance at 2 July 2020	(3)	(592)	(608)	(129)	(582)	(1,914)
Charge for the period	(3)	(83)	(92)	(59)	(101)	(338)
Disposals in period	-	-	2	-	-	2
Balance at 1 July 2021	(6)	(675)	(698)	(188)	(683)	(2,250)
Charge for the year	(3)	(57)	(107)	(59)	(101)	(327)
Disposal in year	-	319	-	-	-	319
Reclassification to assets of disposal group held for resale	-	411	591	127	277	1,406
Balance at 2 July 2022	(9)	(2)	(214)	(120)	(503)	(848)
Net Book Value						
At 1 July 2021	666	274	512	97	228	1,480
At 2 July 2022	1,817	92	174	53	318	2,454

Land and buildings includes £700,000 of freehold land, of which £400,000 was acquired during the year ended 2 July 2022. Freehold land is not depreciated.

The disposals in leasehold improvements relate to the exit by Workshop Coffee from their former premises at Vyner Street during the year. The loss on disposal of these assets was £166,000, and is included in the loss after tax from discontinued operations in the year ended 2 July 2022.

	Land and buildings £'000s	Leasehold improvements £'000s	Plant and equipment £'000s	Computer equipment £'000s	Fixtures and fittings £'000s	Total £'000s
Company						
Cost						
Balance at 1 July 2021	672	-	323	148	614	1,757
Additions in year	237	94	65	23	207	626
Balance at 2 July 2022	909	94	388	171	821	2,383
Accumulated depreciation						
Balance at 1 July 2021	(6)	-	(165)	(70)	(432)	(673)
Charge for the year	(3)	(2)	(49)	(49)	(76)	(174)
Balance at 2 July 2022	(9)	(2)	(214)	(119)	(503)	(847)
Net Book Value						
At 1 July 2021	666	-	158	78	182	1,084
At 2 July 2022	901	92	174	52	318	1,536

Notes to the financial statements continued

2 July 2022

Note 16. Non-current assets - right-of-use assets

	Group			Total £'000s
	Buildings £'000s	Pubs £'000s	Service concessions £'000s	
Right of use assets - cost				
Balance at 2 July 2020	1,124	2,700	61	3,885
New leases	-	1,064	-	1,064
Adjustments to leases	(102)	-	-	(102)
Covid-19 relief	(91)	(200)	(4)	(295)
Balance at 1 July 2021	931	3,564	57	4,552
New leases	306	42	-	348
Adjustments to leases	68	(32)	-	36
Derecognition at end of lease	(609)	-	(57)	(666)
Reclassification to assets of disposal group held for sale	(696)	-	-	(696)
Balance at 2 July 2022	-	3,574	-	3,574
Accumulated depreciation				
Balance at 2 July 2020	(799)	(399)	(44)	(1,242)
Charge for the year	(132)	(291)	(13)	(436)
Lease adjustment	102	-	-	102
Balance at 1 July 2021	(828)	(690)	(57)	(1,575)
Charge for the year	(117)	(345)	-	(462)
Derecognition at end of lease	609	-	57	666
Reclassification to assets of disposal group held for sale	336	-	-	336
Balance at 2 July 2022	-	(1,035)	-	(1,035)
Net Book Value				
At 1 July 2021	103	2,874	-	2,977
At 2 July 2022	-	2,539	-	2,539

The adjustment to the building lease in the year ended 1 July 2021 related to the renegotiation of a lease on to a turnover rent basis.

Covid-19 relief represents rents foregone by landlords as a result of the pandemic. The balance represents the agreed reductions in rent in the year ended 1 July 2021.

The Group leases land and buildings for its offices (which includes a coffee roastery and associated warehouse) and coffee shops. The leases run for between 1.5 and 9.5 years. All of these leases have been reclassified as assets of disposal groups held for sale as at 2 July 2022.

The Group's existing lease on the Centurian Automotive showroom expired in the year. A new lease was entered into for a 12 month period and so no right of use asset has been recognised.

The Group (and the Company leases six pubs), with the leases running for between 3 and 21 years. No separate table is presented for the Company as the Pub column in the consolidated Group table above presents the six pubs that are leased by the Company and are also the only right of use assets in the Company.

The Group operated one service concession which is classified as a lease. The service concession ran for three years and ended during the financial year ended 2 July 2022.

Notes to the financial statements continued

2 July 2022

Note 17. Non-current assets - intangibles

	Goodwill £'000s	Product design and trademarks £'000s	Patents and development £'000s	Computer software £'000s	Total £'000s
Group and Company					
Cost					
Balance at 2 July 2020	8,143	69	268	-	8,480
Additions during the period	-	49	126	110	285
Balance at 1 July 2021	8,143	118	394	110	8,765
Additions during the year	-	11	-	27	38
Reclassification to assets of disposal group held for sale	(1,741)	(129)	(394)	(63)	(2,327)
Balance at 2 July 2022	6,402	-	-	74	6,476
Accumulated amortisation and impairments					
Balance at 2 July 2020	(106)	-	(19)	-	(125)
Charge for the period	-	(44)	(57)	(36)	(137)
Balance at 1 July 2021	(106)	(44)	(76)	(36)	(262)
Charge for the year	-	(64)	(69)	(36)	(169)
Impairment of Goodwill of continuing operations	(6,296)	-	-	-	(6,296)
Impairment of Goodwill of discontinued business	(1,741)	-	-	-	(1,741)
Reclassification to assets of disposal group held for sale	1,741	108	145	29	2,023
Balance at 2 July 2022	(6,402)	-	-	(43)	(6,445)
Net book value					
At 1 July 2021	8,037	74	318	74	8,503
At 2 July 2022	-	-	-	31	31

The Company has a goodwill balance of £nil at 2 July 2022 (£1,074,000 at 1 July 2021). The goodwill arose on the acquisition of the assets and businesses of Turf to Table Limited in 2018. This balance was fully impaired in the year ended 2 July 2022.

The goodwill at 1 July 2021 is allocated according to the table below.

The goodwill associated with Centurian is not expected to be recovered through the disposal of that business and so has been fully impaired, which is supported by current price negotiations on the sale of the business. The impairment charge has been included in the net loss after tax from discontinued activities.

The goodwill associated with the pubs has also been fully impaired following the impairment testing disclosed below. A significant contribution to the impairment is macro-economic and market factors which have impacted expected returns, cost of capital and therefore the discount rate.

The intangible asset balances associated with the Cambridge Sleep Sciences business (Product design and trademarks, Patents and development, and Computer Software) and the Workshop Coffee business (Computer software) have been reclassified as assets of disposal groups held for sale. The book value of these assets is expected to be recovered through the ongoing disposal processes and so no impairments were required in relation to these assets.

Impairment testing

Goodwill acquired through business combinations has been allocated to the following cash-generating units ("CGU"):

	Group	
	2022 £'000s	2021 £'000s
Barkby Pubs	-	6,296
Investments - Centurian Automotive	-	1,741
	-	8,037

Notes to the financial statements continued

2 July 2022

Note 17. Non-current assets - intangibles (continued)

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 4 year projection period approved by management and extrapolated for a further 1 year using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the Barkby Pubs division:

- 13.9% WACC;
- 2% per annum projected revenue growth rate after initial maturity growth forecasts;

The discount rate of 13.9% reflects management's estimate of the time value of money and the Group's weighted average cost of capital.

Management believes the projected 2% revenue growth rate is prudent and justified, based on the general market conditions and long run expectations for the industry.

There were no other key assumptions for the Barkby Pubs CGU.

Based on the above, the recoverable amount of the Barkby Pubs cash generating unit did not exceed the carrying amount of the assets that relate to the business that was acquired at the time the Goodwill was recognised, therefore the Goodwill has been fully impaired in the period.

Note 18. Non-current assets - Investments

	Group	
	2 July 2022 £'000s	1 July 2021 £'000s
Investment in equity of Verso Biosense Ltd (formerly VivoPlex)	-	2,542

The Group, through its subsidiary Barkby Real Estate Developments Limited, excised its option to subscribe in VivoPlex Loan Notes in the period ended 2 July 2020. Subsequently the Loan Notes were converted into share capital. In the year ended 2 July 2021, the Group increased its investment in Verso Biosense Ltd (formerly VivoPlex) by £500,000. The total investment in Verso Biosense was disposed of at book value in the year ended 2 July 2022.

The investment in equity of Verso Biosense Ltd was measured at fair value through profit or loss following designation as such upon initial recognition. Apart from the de-recognition on disposal, there was no movement in fair value in the year ended 2 July 2022 (no movement in value in year ended 1 July 2021).

	Company	
	2 July 2022 £'000s	1 July 2021 £'000s
Opening balance	26,159	30,940
Acquisitions of share capital in subsidiary undertakings:		
Barkby Pub Co Limited	-	-
Impairment	(4,514)	(4,781)
	21,645	26,159

During the year ended 2 July 2022, the Company subscribed for £100 of share capital as part of the set up a new subsidiary, Barkby Pub Co Limited.

The Company has tested its investments in subsidiaries following a review for indicators of impairment at 2 July 2022. Following the strategic review and the decision to dispose of the three businesses, the Company has impaired its investment in the share capital of Centurian Automotive Limited, writing down the value of investments in subsidiaries by £314,000. The investment in share capital of Workshop Trading Holdings Limited was fully impaired in the prior financial year following the impairment review undertaken at 1 July 2021.

It was noted that the market value of the Company's shares was greater than the Company's net assets as at 2 July 2022. Based on this indicator of impairment the directors have decided to impair the Company's investments in Barkby Real Estate Limited and Barkby Real Estate Developments Limited by £4,200,000 in total.

Notes to the financial statements continued

2 July 2022

Note 19. Borrowings

	Group					
	2 July 2022			1 July 2021		
	£'000s Current	£ 000s Non- current	£ 000s Total	£ 000s Current	£ 000s Non- current	Total £'000s
Bank overdrafts	650	-	650	305	-	305
Vehicle finance and associated loans	-	-	-	3,857	42	3,899
Bank loans	364	616	980	642	667	1,309
Other loans	3,002	-	3,002	2,113	16	2,129
Loans from related parties	-	3,092	3,092	478	3,927	4,405
	4,016	3,708	7,724	7,395	4,652	12,047

	Company					
	2 July 2022			1 July 2021		
	£'000s Current	£ 000s Non- current	£ 000s Total	£ 000s Current	£ 000s Non- current	Total £'000s
Bank overdrafts	650	-	650	199	-	199
Bank loans	364	616	980	642	667	1,309
Other loans	10	-	10	73	16	89
	1,024	616	1,640	914	683	1,597

Refer to note 27 for further information on financial instruments.

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Group	
	2 July 2022 £'000s	1 July 2021 £'000s
Bank overdraft	705	305
Vehicle finance and associated loans	3,668	3,899
Bank loans	981	1,309
Other loans	3,028	2,032
Loans from related parties	446	446
	8,828	7,991

Assets pledged as security

The bank overdraft and loans are secured by charges over the Group's assets.

Vehicle finance and associated loans are secured against the Group's vehicle inventory, with each facility being linked to a specific vehicle or vehicles.

Certain other loans are secured on either one of the Group's real estate development properties or specific assets.

One of the loans from related parties is secured on one of the Group's real estate development properties.

Financing arrangements

The Group has access to a term loan facility with Tarncourt Properties Ltd, a related party. The facility was refinanced during the year to £5.0 million (2021: £3.5 million). The facility bears interest at 3.5% (previous facility: 3.5%). After the year end, the facility was increased to £12.0m and the repayment date extended to June 2024. As at December 2022, the group had drawn £5.9m and therefore had unused financing available of £6.1m.

Notes to the financial statements continued

2 July 2022

Note 20. Lease liabilities

	Group					
	2 July 2022			1 July 2021		
	£'000s Current	£ 000s Non- current	£ 000s Total	£ 000s Current	£ 000s Non- current	Total £'000s
Building lease liabilities	-	-	-	99	67	166
Pub lease liabilities	491	2,571	3,062	432	2,871	3,303
	491	2,571	3,062	531	2,938	3,469

	Company					
	2 July 2022			1 July 2021		
	£'000s Current	£ 000s Non- current	£ 000s Total	£ 000s Current	£ 000s Non- current	Total £'000s
Pub lease liabilities	491	2,571	3,062	432	2,871	3,303
	491	2,571	3,062	432	2,871	3,303

Refer to note 27 for further information on financial instruments.

Note 21. Current liabilities - income tax

	Group	
	2 July 2022 £'000s	1 July 2021 £'000s
Provision for Corporation Tax	-	25

Note 22. Current liabilities - other

	Group	
	2 July 2022 £'000s	1 July 2021 £'000s
Accruals	1,667	1,108
Tax and social security payable	1,871	1,531
Pension contributions payable	9	13
Retentions	8	59
Deferred consideration	75	225
Customer deposits	123	152
Other payables	1,597	1,259
	5,350	4,347

	Company	
	2 July 2022 £'000s	1 July 2021 £'000s
Accruals	865	577
Tax and social security payable	1,865	1,042
Pension contributions payable	9	9
Deferred consideration	75	225
Customer deposits	123	152
Other payables	363	168
	3,300	2,173

Deferred consideration relates to the acquisition of Turf to Table (25 June 2018) by The Barkby Group Plc and £225,000 (1 July 2021: £375,000) payable to three shareholders under the terms of the acquisition of Tarcourt Ambit Limited.

Notes to the financial statements continued

2 July 2022

Note 22. Current liabilities - other (continued)

The amounts due to Turf to Table were settled in full during the year ended 1 July 2021 following an agreement between Barkby Group and Turf to Table Ltd to amend the deferred consideration due to Turf to Table. As a result of this agreement, the Company paid £115,000 in lieu of the balance of deferred consideration of £150,000 due under the original agreement. £60,000 of the agreed £115,000 payment was satisfied by the issue and allotment of 260,869 ordinary shares in the capital of Barkby ("Ordinary Shares") at a price of 23 pence per Ordinary Share on 1 October 2020, and the balance of £55,000 was paid in cash. The difference between the balance due of £150,000 and that ultimately paid of £115,000 was £35,000, which was released to profit and loss account in the year ended 1 July 2021.

The remaining deferred consideration of £225,000 due to three previous shareholders of Tarncourt Ambit Limited was partially settled during the year ended 2 July 2022 with the issue of 882,354 Ordinary Shares at a price of 17 pence per Ordinary Share. The amount of deferred consideration remained outstanding at 2 July 2022 was £75,000 (1 July 2021: £225,000).

Note 23. Non-current liabilities - provisions

	Group	
	2 July 2022 £'000s	1 July 2021 £'000s
Dilapidations provisions	48	48

	Company	
	2 July 2022 £'000s	1 July 2021 £'000s
Dilapidations provisions	48	48

Dilapidations provisions

The provision represents the present value of the estimated costs to make good the Pub premises leased by the Group (and Company) at the end of the respective lease terms.

Movements in provisions

Movements in each class of provision during the current financial year (and previous financial period) are set out below:

	Dilapidations provision	
	2022 £'000s	2021 £'000s
Group and Company		
Carrying amount at 2 July 2021 (3 July 2020)	48	28
Dilapidations provision for new Pub leases in period	-	20
Carrying amount at 2 July 2022 (1 July 2021)	48	48

Notes to the financial statements continued

2 July 2022

Note 24. Equity - issued capital

	Group and Company			
	2 July 2022 Shares	1 July 2021 Shares	2 July 2022 £'000s	1 July 2021 £'000s
New ordinary shares - fully paid (£0.00860675675675676 per share)	143,261,138	136,948,282	1,233	1,179

During the year ended 2 July 2022 the Company undertook the following transactions in relation to its issued share capital:

a) Tarncourt Ambit deferred consideration on 4 February 2022

The Company issued 882,354 shares to the shareholders of Tarncourt Ambit Limited in relation to deferred consideration as previously disclosed in the Company's AIM Admission Document dated 19 December 2019;

b) Centurian Automotive Limited deferred consideration on 4 February 2022

1,212,856 Ordinary Shares to Paul James Harding and Rachel Michala Harding, the founders and former shareholders of Centurian Automotive Limited ("Centurian"), in relation to deferred consideration payable in respect of the Company's acquisition of Centurian, pursuant to the announcement by Barkby dated 14 February 2019;

c) Settlement of liabilities on 4 February 2022

1,029,412 Ordinary Shares to certain advisers in lieu of certain advisory fees and other liabilities due;

d) Issue of shares for cash consideration on 4 February 2022

588,235 were issued to an existing shareholder for cash consideration of £100,000;

e) Restricted shares on 4 February 2022

833,334 Ordinary Shares to Douglas Benzie, Chief Financial Officer of the Company, in relation to the completion of two years of service (the "Equity Grant"). The grant was restricted with Mr Benzie being unable to sell the shares for a period of at least 12 months from the grant; and,

f) Share issued to Tarncourt Investments LLP on 4 February 2022

1,766,665 Ordinary Shares to Tarncourt Investments LLP to settle interest and fees due on the debt facility provided by Tarncourt Investments LLP, pursuant to the debt settlement agreement, dated 3 February 2022 (the "Debt Settlement Agreement").

During the prior year ended July 2021 the Company undertook the following transactions in relation to its issued share capital:

g) Turf to Table deferred consideration on 1 October 2020

As part of the amended deferred consideration agreement with Turf to Table, the Company issued and allotted 260,869 ordinary shares on 1 October 2020 at a price of 23 pence per share to satisfy £60,000 of the amended deferred consideration totalling £115,000; and,

h) Exercise of warrants on 24 December 2020

The Company allotted 1,452,347 shares on 24 December 2020 following the exercise of warrants by Giles Clarke.

Notes to the financial statements continued

2 July 2022

Note 25. Equity - retained losses

	Group	
	2022 £'000s	2021 £'000s
Retained loss at the beginning of the year	(4,219)	(5)
Loss after income tax expense for the year attributable to shareholders of the Company	(9,324)	(4,214)
Transfer to Fair value reserve	(1,250)	-
Increase in non-controlling interest	138	-
Retained losses at the end of the financial year	(14,655)	(4,219)

	Company	
	2022 £'000s	2021 £'000s
Retained loss at the beginning of the financial period	(10,893)	(1,601)
Loss after income tax expense for the period	(9,449)	(9,292)
Retained losses at the end of the financial period	(20,342)	(10,893)

Increase in non-controlling interest

During the year ended 2 July 2022 Cambridge Sleep Sciences Limited increased its non-controlling interest from 15% to 25%.

Transfer to fair value reserve

During the year end 2 July 2022 as a result of the revaluation of the Group's investment properties to their fair value, a fair value reserve was created.

Notes to the financial statements continued

2 July 2022

Note 26. Equity – other reserves

		Group	
	Note	Share premium £'000s	Merger reserve £'000s
Balance at 2 July 2020		4,323	(422)
Shares issued to settle deferred consideration	24	58	-
Shares issued following exercise of warrants	24	112	-
Opening balance		4,493	(422)
Shares issued to settle deferred consideration	24	283	-
Restricted shares issued	24	126	-
Shares issued for fees and liabilities	24	148	-
Shares issued for cash proceeds	24	95	-
Shares issued to settle interest and debt	24	285	-
Closing balance		5,430	(422)

		Company	
Details	Note	Share premium £'000s	Merger reserve relief £'000s
Balance at 2 July 2020		4,323	29,747
Shares issued to settle deferred consideration	24	58	-
Shares issued following exercise of warrants	24	112	-
Opening balance		4,493	29,747
Shares issued to settle deferred consideration	24	283	-
Restricted shares issued	24	126	-
Shares issued for fees and liabilities	24	148	-
Shares issued for cash proceeds	24	95	-
Shares issued to settle interest and debt	24	285	-
Closing balance		5,430	29,747

Share premium (Group and Company)

The movements reflect the excess of the transaction value over the nominal value of the share capital issued for the transactions detailed in note 24.

Merger reserve (Group)

The merger reserve arose as a result of the business combination of the Dickson Controlled entities and the Barkby Group in January 2020. There has been no movement in the balance in either financial year.

Merger relief reserve (Company)

The merger reserve arose as a result of the shares the company issued in order to acquire the equity of the Dickson Controlled entities as part of the January 2020 business combination. There has been no movement in the balance in either financial year.

Notes to the financial statements continued

2 July 2022

Note 27. Financial instruments**Financial risk management objectives**

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group, on occasion, uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk**Foreign currency risk**

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

In order to protect against exchange rate movements, the Group, on occasion, enters into forward foreign exchange contracts. These contracts are hedging highly probable forecasted cash flows for the ensuing financial year. There were no contracts extant at either 1 July 2021, or 2 July 2022.

The Group had no foreign currency denominated financial assets at either 1 July 2021 or 2 July 2022.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Liabilities	
	2 July 2022 £'000s	1 July 2021 £'000s
Group		
US dollars	138	118
Euros	16	22
Total	154	140

The Group had net liabilities denominated in foreign currencies of £154,000 as at 2 July 2022 (1 July 2021: £140,000). Based on this exposure, had Pound Sterling weakened by 10%/strengthened by 10% (1 July 2021: weakened by 10%/strengthened by 10%) against these foreign currencies with all other variables held constant, the Group's loss before tax for the period would have been £17,000 higher/£14,000 lower (1 July 2021: £14,000 higher/£14,000 lower). Equity would have been £17,000 lower/£14,000 higher (1 July 2021: £14,000 lower/£14,000 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the financial period and the spot rate at each reporting date. The actual foreign exchange loss for the period ended 2 July 2022 was £1,000 (2021: £13,000 loss).

The Company had no foreign currency denominated financial assets or liabilities at either 1 July 2021 or 2 July 2022.

Notes to the financial statements continued

2 July 2022

Note 27. Financial instruments (continued)

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value risk. The Group's policy is to maintain a range of borrowings appropriate for the individual businesses. For example, Centurian relies on specific trade finance that is secured on the value of its vehicle inventory.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has no concentration of credit risk exposure.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date are shown in Note 19.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Notes to the financial statements continued

2 July 2022

Note 27. Financial instruments (continued)

	Weighted average interest rate %	1 year or less £'000s	Between 1 and 2 years £'000s	Between 2 and 5 years £'000s	Over 5 years £'000s	Remaining contractual maturities £'000s
Group - 2022						
Non-interest bearing						
Trade payables	-	2,136	-	-	-	2,136
Other payables	-	1,606	-	-	-	1,606
Loans from related parties	-	-	42	-	-	42
Interest bearing - variable						
Bank overdraft	4.0	650	-	-	-	650
Bank loans	3.9	364	616	-	-	980
Interest-bearing - fixed rate						
Vehicle finance	-	-	-	-	-	-
Other loans	9.0	3,002	-	-	-	3,002
Lease liabilities	5.4	505	514	1,395	1,508	3,922
Loans from related parties	3.5	-	3,050	-	-	5,050
Total		8,263	4,222	1,395	1,508	15,388

	Weighted average interest rate %	1 year or less £'000s	Between 1 and 2 years £'000s	Between 2 and 5 years £'000s	Over 5 years £'000s	Remaining contractual maturities £'000s
Group - 2021						
Non-interest bearing						
Trade payables	-	1,826	-	-	-	1,826
Other payables	-	1,543	-	-	-	1,543
Loans from related parties	-	-	84	-	-	84
Interest bearing - variable						
Bank overdraft	3.5%	305	-	-	-	305
Bank loans	3.9%	643	333	333	-	1,309
Interest-bearing - fixed rate						
Vehicle finance	8.4%	3,857	42	-	-	3,899
Other loans	7.4%	2,113	16	-	-	2,129
Lease liabilities	4.9%	554	543	1,515	1,874	4,486
Loans from related parties	3.5%	478	3,843	-	-	4,321
Total		11,319	4,861	1,848	1,874	19,902

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Notes to the financial statements continued

2 July 2022

Note 28. Fair value measurement**Fair value hierarchy**

The following tables detail the Group's assets, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability

The Group had no liabilities measured or disclosed at fair value at either 2 July 2020 or 1 July 2021.

	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
Group - Assets				
1 July 2021				
Ordinary shares at fair value through profit or loss	-	-	2,542	2,542
2 July 2022				
Ordinary shares at fair value through profit or loss	-	-	-	-

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within Level 2 and Level 3

Unquoted investments have been valued using a range of methods, taking into account the cost of the investments and other information available to the Group's Directors on the financial and non-financial performance of the investment, including the prices unrelated parties have invested at and the expected price at which the next equity raise would be undertaken at.

On the basis that Verso Biosense was in the early stages of its development and therefore is significant inherent uncertainty on its forecast cashflows, the Directors considered cost to be the best approximation of fair value. This is further supported by the disposal of the investment at cost (plus accrued interest) in the year ended 2 July 2022.

Level 3 assets and liabilities

Movements in Level 3 assets and liabilities during the current and previous financial year are set out below:

	Ordinary shares at fair value through P&L £'000s	Ordinary shares at fair value through OCI £'000s	Total £'000s
Group			
Balance at 1 April 2020	2,042	-	2,042
Gains recognised in profit or loss	-	-	-
Gains recognised in other comprehensive income	-	-	-
Additions	500	-	500
Balance at 1 July 2021	2,542	-	2,542
Gains recognised in profit or loss	-	-	-
Gains recognised in other comprehensive income	-	-	-
Additions	2,542	-	2,542
Balance at 2 July 2022	-	-	-

Notes to the financial statements continued

2 July 2022

Note 29. Directors' remuneration**Compensation**

The aggregate compensation made to directors of the Group is set out below:

	Group	
	2022 £'000s	2021 £'000s
Salaries	360	460
Cash bonus	-	-
Contributions to defined contribution pensions	11	8
Other benefits	2	2
	373	470

The highest paid director received total remuneration of £189,000 in the period ended 1 July 2021 (£180,000 for the period ended 1 July 2021).

The Directors are considered to be the only key management personnel of the group.

Note 30. Commitments**Capital commitments**

There were no capital commitments at either 2 July 2022 or 1 July 2021.

Note 31. Related party transactions**Parent entity**

Barkby Group Plc is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 33.

Key management personnel

Disclosures relating to key management personnel are set out in note 29.

Transactions with related parties

The following transactions occurred with related parties:

	Group	
	2022 £'000s	2021 £'000s
Sales of cars to related parties	125	65
Recovery of costs from related parties	26	48
Sale of investment in Verso Biosense Ltd	2,592	-

The related party transactions were with significant shareholders, with the exception of the sales of cars which were to a significant shareholder who is also a Director of the group.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Group	
	2022 £'000s	2021 £'000s
Current receivables:		
Trade receivables due from related parties	8	-
Other receivables due from related parties	617	115

Notes to the financial statements continued

2 July 2022

Note 31. Related party transactions (continued)**Loans from related parties**

The following loan balances are outstanding at the reporting date in relation to related parties:

	Group	
	2022 £'000s	2021 £'000s
Loans from related parties		
Current liabilities:		
Interest bearing loans	-	478
Non-current liabilities:		
Non-interest bearing loans	47	84
Interest bearing loans	3,570	3,843

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 32. Discontinued operations

The following financial information relates to the three operations discontinued by the Group in the year ended 2 July 2022.

The results of the Cambridge Sleep Sciences (Investment: Life Sciences) for the year are presented below:

	Year ended 2 July 2022 £'000s	Year ended 1 July 2021 £'000s
Revenue	196	120
Cost of Goods sold	(175)	(106)
Gross profit	21	14
Administrative expenses	(729)	(1,033)
Other income	(36)	(12)
Operating loss from discontinued operations	(744)	(1,031)
Net finance costs	(104)	(73)
Loss for the year before taxation from discontinued operations	(848)	(1,104)
Tax (charge)/credit	88	-
Loss for the year after taxation from discontinued operations	(760)	(1,104)

The major classes of assets and liabilities of the Cambridge Sleep Sciences operations classified as held for sale as at 2 July 2022 are as follows:

	2 July 2022 £'000s
Assets	
Property, plant and equipment	12
Intangible assets	240
Inventory	359
Trade and other receivables	132
Prepayments	5
Cash and cash equivalents	1
Assets of disposal group held for sale	749
Liabilities	
Trade payables	(235)
Borrowings	(178)
Other current liabilities	(155)
Liabilities of disposal group held for sale	(568)
Net assets/(liabilities)	181

Notes to the financial statements continued

2 July 2022

Note 32. Discontinued operations (continued)

The net cash flows of the Cambridge Sleep Sciences operations were as follows:

	Year ended 2 July 2022 £'000s	Year ended 1 July 2021 £'000s
Net cash flows from operating activities	(646)	(654)
Net cash flow from investing activities	(11)	(290)
Net cash flow from financing activities	210	-
Net cash in/(out) flow	(447)	(944)

Results of the Centurian Automotive operations for the year are presented below:

	Year ended 2 July 2022 £'000s	Year ended 1 July 2021 £'000s
Revenue	7,494	10,954
Cost of Goods sold	(6,873)	(10,141)
Gross profit	621	813
Administrative expenses	(891)	(639)
Other income	8	-
Impairment of goodwill	(1,741)	-
Operating loss from discontinued operations	(2,003)	174
Net finance costs	(360)	(240)
Loss for the year before taxation from discontinued operations	(2,363)	(66)
Tax (charge)/credit	-	-
Loss for the year after taxation from discontinued operations	(2,363)	(66)

The major classes of assets and liabilities of the Centurian Automotive classified as held for sale as at 2 July 2022 are as follows:

	2 July 2022 £'000s
Assets	
Property, plant and equipment	39
Inventory	3,013
Trade and other receivables	24
Prepayments	33
Assets of disposal group held for sale	3,109
Liabilities	
Trade payables	(154)
Borrowings	(3,877)
Other current liabilities	(185)
Liabilities of disposal group held for sale	(4,216)
Net assets/(liabilities)	(1,107)

Notes to the financial statements continued

2 July 2022

Note 32. Discontinued operations (continued)

Results of the Centurian Automotive operations for the year are presented below:

	Year ended 2 July 2022 £'000s	Year ended 1 July 2021 £'000s
Net cash flows from operating activities	(277)	(529)
Net cash flow from investing activities	(21)	(19)
Net cash flow from financing activities	(910)	(541)
Net cash in/(out) flow	(1,208)	(1,089)

Results of the Workshop Coffee operations for the year are presented below:

	Year ended 2 July 2022 £'000s	Year ended 1 July 2021 £'000s
Revenue	1,507	1,244
Cost of Goods sold	(809)	(688)
Gross profit	698	556
Administrative expenses	(1,234)	(1,250)
Other income	20	73
Impairment of property, plant and equipment	(166)	
Operating loss from discontinued operations	(682)	(621)
Net finance costs	(98)	(66)
Loss for the year before taxation from discontinued operations	(780)	(687)
Tax (charge)/credit	(5)	0
Loss for the year after taxation from discontinued operations	(785)	(687)

The major classes of assets and liabilities of the Workshop Coffee operations classified as held for sale as at 2 July 2022 are as follows:

	2 July 2022 £'000s
Assets	
Property, plant and equipment	116
Intangible assets	60
Right-of-use assets	646
Other non-current assets	3
Inventory	147
Trade and other receivables	113
Prepayments	48
Other current assets	26
Cash and cash equivalents	43
Assets of disposal group held for sale	1,202
Liabilities	
Trade payables	(597)
Borrowings	(426)
Lease liabilities	(697)
Other current liabilities	(574)
Liabilities of disposal group held for sale	(2,294)
Net assets/(liabilities)	(1,092)

Notes to the financial statements continued

2 July 2022

Note 32. Discontinued operations (continued)

The net cash flows of the Workshop Coffee operations were as follows:

	Year ended 2 July 2022 £'000s	Year ended 1 July 2021 £'000s
Net cash flows from operating activities	(293)	(430)
Net cash flow from investing activities	(93)	(33)
Net cash flow from financing activities	(93)	(223)
Net cash in/(out) flow	(479)	(686)

Reconciliation to Loss for the year from Discontinued operations

	Year ended 2 July 2022 £'000s	Year ended 1 July 2021 £'000s
Loss for the year		
Cambridge Sleep Sciences operations	(760)	(1,104)
Centurian Automotive operations	(2,363)	(66)
Workshop Coffee operations	(785)	(687)
Loss for the year from discontinued operations	(3,908)	(1,857)

Note 33. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business and Country of incorporation	Ownership interest	
		2 July 2022 %	1 July 2021 %
Barkby Real Estate Limited	United Kingdom	100%	100%
Barkby Real Estate Developments Limited	United Kingdom	100%	100%
Workshop Trading Holdings Limited	United Kingdom	100%	100%
Workshop Trading (London) Limited	United Kingdom	100%	100%
Centurian Automotive Limited	United Kingdom	100%	100%
Barkby Pub Co Limited	United Kingdom	100%	-

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in note 2:

Name	Principal place of business and Country of incorporation	Principal activities	Parent		Non-controlling interest	
			Ownership interest 2022 %	Ownership interest 2021 %	Ownership interest 2022 %	Ownership interest 2021 %
Cambridge Sleep Sciences Limited	United Kingdom	Life Sciences	75%	85%	25%	15%

Notes to the financial statements continued

2 July 2022

Note 33. Interests in subsidiaries (continued)**Summarised financial information**

Summarised financial information of the subsidiary with non-controlling interests that are material to the Group are set out below:

	2 July 2022 £'000s	1 July 2021 £'000s
Summarised statement of financial position		
Current assets	545	701
Non-current assets	252	423
Total assets	709	1,124
Current liabilities	(475)	(2,512)
Net liabilities	(2,146)	(1,388)
Summarised statement of profit or loss and other comprehensive income		
Start-up expense	(181)	(1,033)
Other (net expenses)	(667)	(71)
Loss before income tax expense	(848)	(1,104)
Income tax credit	88	-
Loss after income tax expense and total comprehensive loss for the period	(760)	(1,104)
Statement of cash flows		
Net cash from operating activities	(646)	(84)
Net cash used in investing activities	(11)	(290)
Net cash used in financing activities	210	-
Net increase/(decrease) in cash and cash equivalents	(447)	(373)
Other financial information		
Loss attributable to non-controlling interests	(190)	(164)
Accumulated non-controlling interests at the end of reporting period	(536)	(208)

The assets and liabilities presented above are included within the assets and liabilities of disposal groups held for sale because Cambridge Sleep Sciences is presented as a discontinued operation. The loss for the year presented above is included within discontinued operations in the statement of profit or loss and other comprehensive income.

Notes to the financial statements continued

2 July 2022

Note 34. Post Balance Sheet Events**Tarncourt Facility**

The group agreed to re-finance the existing Tarncourt facility from £5m to £12m with expiry being extended from 30th June 2023 to 30th June 2024.

The Board considers that no other material post balance sheet events occurred between the end of the period and the date of publication of this report.

Note 35. Movements in borrowings in the period**Group**

	Movement in year ended 2 July 2022					Balance at 2 July 2022 £'000s
	Balance at 1 July 2021 £'000s	Proceeds of borrowings £'000s	Non-cash movements £'000s	Repayments £'000s	Reclassification to liabilities of disposal groups £'000s	
Overdrafts	305	400	-	-	(55)	650
Bank loans	1,309	-	-	(329)	-	980
Vehicle finance	3,899	5,993	-	(6,224)	(3,668)	-
Other loans	2,129	3,027	-	(2,119)	(35)	3,002
Loans from related parties	4,405	404	-	(994)	(723)	3,092
Leases	3,469	-	884	(581)	(710)	3,062
Total borrowings and lease liabilities	15,516	9,824	884	(10,247)	(5,191)	10,786
Reported as						
Current liabilities	7,926					4,507
Non-current liabilities	7,590					6,279
Total borrowings and lease liabilities	15,516					10,786

	Movement in period ended 1 July 2021					Balance at 1 July 2021 £'000s
	Balance at 2 July 2020 £'000s	Proceeds of borrowings £'000s	Non-cash movements £'000s	Repayments £'000s		
Overdrafts	1,480	378	-	(1,553)		305
Bank loans	332	1,000	-	(23)		1,309
Vehicle finance	3,377	9,125	-	(8,603)		3,899
Other loans	6,386	2,018	52	(6,326)		2,130
Loans from related parties	2,323	2,330	-	(248)		4,405
Leases	2,840	-	939	(310)		3,469
Total borrowings and lease liabilities	16,738	14,851	991	(17,063)		15,516
Reported as						
Current liabilities	9,490					7,926
Non-current liabilities	7,248					7,590
Total borrowings and lease liabilities	16,738					15,516

Notes to the financial statements continued

2 July 2022

Note 36. Loss per share

	Consolidated	
	2022 £'000s	2021 £'000s
Earnings per share for profit (all from continuing operations)		
Profit/(loss) after income tax from continuing operations	(5,606)	(2,521)
Loss after income tax from discontinued operations	(3,908)	(1,857)
Loss after income tax	(9,514)	(4,378)
Non-controlling interest (discontinued operations)	190	164
Profit/(loss) after income tax from continuing operations attributable to the owners of Barkby Group PLC	(5,606)	(2,521)
Loss after income tax from continuing operations attributable to the owners of Barkby Group PLC	(3,718)	(1,693)
Total loss after income tax attributable to the owners of Barkby Group Plc	(9,324)	(4,214)
	pence	pence
Basic loss per share from continuing operations	(4.02)	(1.85)
Basic loss per share from discontinued operations	(2.66)	(1.24)
	(6.68)	(3.09)
	Number	Number
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	139,525,311	136,187,437

Note 37. Investment property

Investment property consists of the initial acquisition of the Wellingborough and Maldon property development sites followed by their revaluation to fair value. The Group's Investment properties are all major developments properties, which are properties where planning has been obtained and where development has commenced with a view to retain the property.

	Consolidated	
	2022 £'000s	2021 £'000s
Opening balance	-	-
Acquisitions	3,402	-
Fair value movements	1,250	-
Closing balance	4,652	-

Investment property consists of the initial acquisition of the Wellingborough and Maldon property development sites followed by their revaluation to fair value.

Valuation Process

The Directors' valuations are based on what is determined to be the highest and best use and professional guidance is utilised where appropriate. When considering the highest we consider the properties actual and potential uses which are physically, legally and financially viable. Where the highest and best use differs from the existing use, then we consider the cost and the likelihood of achieving and implementing this change in arriving at its valuation. Most of the Group's properties have been valued on the basis of their development potential which differs from their existing use.

As a result of the specific nature of each investment property, valuation inputs are not based on directly observable market data. Valuation techniques underlying management's estimation of fair value are as follows:

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2 July 2022

Note 37. Investment property (continued)**Major developments**

Major development sites are generally valued using residual development appraisals, a form of discounted cash flow which estimates the current site value from future cash flows measured by current land and/or completed built development values, observable or estimated development costs, and observable or estimated development returns.

The discounted cash flows utilise gross development value, which takes account of the future expectations of sales over time, less costs, as at today's value, to complete remediation and provide the necessary site infrastructure to bring the site forward. Sales prices, build costs and profit margins are considered to be significant unobservable inputs for sites valued using residual development appraisals and details of these are provided below:

	2022			
	Market Value £'000	Sales price per sq. ft	Build cost per sq. ft	Profit margin %
Investment Properties				-
- Major Developments	4,652	£385 - £431	£181 - £199	15%

There were no Investment Properties at the 2021 year end.

All other factors being equal, a higher land value reflecting future expectations on sales would lead to an increase in the valuation of an asset, an increase in costs would lead to a decrease in the valuation of an asset. However, there are inter-relationships between the significant unobservable inputs which are partially determined by market conditions, which would impact on these changes.

The table below sets out a sensitivity analysis for the key sources of estimation uncertainty with the resulting increase/(decrease) in the fair value of Major Development investment properties at 2 July 2022:

	Increase in Sensitivity Value £'000	Decrease in Sensitivity Value £'000
Change in sales price of 5%	£181	-
Change in build cost of 5%	£199	15%

Shareholder Information

2 July 2022

Senior personnel, committees, banks, advisers and others

Directors

Charles Dickson

Executive Chairman

Douglas Benzie

Chief Financial Officer

Jonathan Warburton

Non-executive and senior independent

Jeremy Sparrow

Non-executive

Matthew Wood

Non-executive

Company Secretary

Douglas Benzie

Audit Committee

Jonathan Warburton

Jeremy Sparrow

Matthew Wood

Remuneration Committee

Jonathan Warburton

Jeremy Sparrow

Matthew Wood

Nomination Committee

Charles Dickson

Jonathan Warburton

Jeremy Sparrow

Matthew Wood

Banks

HSBC UK Bank Plc

2 Cannon St

Bedminster

Bristol

BS3 1BW

Auditor

Crowe U.K. LLP

55 Ludgate Hill,

London,

EC4M 7JW

Nominated Advisor

FinnCap

One Bartholomew Close

London

EC1A 7BL

Financial Public Relations Advisers

Camarco

107 Cheapside

London

EC2V 6DN

Solicitors

Kuit Steinart Levy LLP

3 St Mary's Parsonage

Manchester

M3 2RD

Shareholder information

Registrar

The company's registrar is Share Registrars Limited. They can be contacted at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR. Their telephone no. is 01252 821390.

Queries

If a shareholder has any questions about their shareholding or if they require other guidance (e.g. to notify a change of address or to give instructions for dividends to be paid directly into a bank account), please contact Share Registrars Limited (see above).

Registered office and company number

115b Innovation Drive

Milton

Abingdon

England

OX14 4RZ

Registered number: 07139678



Further information please visit

www.barkbygroup.com

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