

Company Registration No. 05349364 (England and Wales)

RED HOT PUB COMPANY LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016
PAGES FOR FILING WITH REGISTRAR

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RED HOT PUB COMPANY LIMITED

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RED HOT PUB COMPANY LIMITED

COMPANY INFORMATION

Directors	Mr M Felton Mr C Taylor Mr M Felton Jnr
Company number	05349364
Registered office	Maple House Aspen Way Yalberton Paignton Devon TQ4 7QR
Accountants	Darnells Chartered Accountants Quay House Quay Road Newton Abbot Devon TQ12 2BU
Business address	Steam Packet Inn Fore Street Kingswear Dartmouth Devon TQ6 0AD

RED HOT PUB COMPANY LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	4		597,267		591,682
Current assets					
Stocks		5,432		3,792	
Debtors	5	3,241		2,515	
Cash at bank and in hand		26,222		5,733	
		<u>34,895</u>		<u>12,040</u>	
Creditors: amounts falling due within one year	6	<u>(28,534)</u>		<u>(55,407)</u>	
Net current assets/(liabilities)			6,361		(43,367)
Total assets less current liabilities			<u>603,628</u>		<u>548,315</u>
Creditors: amounts falling due after more than one year	7		(433,290)		(514,000)
Provisions for liabilities			<u>(3,915)</u>		-
Net assets			<u><u>166,423</u></u>		<u><u>34,315</u></u>
Capital and reserves					
Called up share capital	8		7		7
Share premium account			6,993		6,993
Equity reserve	9		136,974		-
Profit and loss reserves			<u>22,449</u>		<u>27,315</u>
Total equity			<u><u>166,423</u></u>		<u><u>34,315</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 October 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

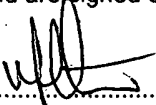
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

RED HOT PUB COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2016

The financial statements were approved by the board of directors and authorised for issue on 3-7-2017 and are signed on its behalf by:



.....
Mr M Felton
Director

Company Registration No. 05349364

RED HOT PUB COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2016

	Share capital	Share premium account	Equity reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 November 2014	7	6,993	-	19,173	26,173
Year ended 31 October 2015:					
Profit and total comprehensive income for the year	-	-	-	8,142	8,142
Balance at 31 October 2015	<u>7</u>	<u>6,993</u>	<u>-</u>	<u>27,315</u>	<u>34,315</u>
Year ended 31 October 2016:					
Loss and total comprehensive income for the year	-	-	-	(4,866)	(4,866)
Other	-	-	136,974	-	136,974
Balance at 31 October 2016	<u><u>7</u></u>	<u><u>6,993</u></u>	<u><u>136,974</u></u>	<u><u>22,449</u></u>	<u><u>166,423</u></u>

RED HOT PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

Company information

Red Hot Pub Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Maple House, Aspen Way, Yalberton, Paignton, Devon, TQ4 7QR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 October 2016 are the first financial statements of Red Hot Pub Company Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 November 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of food and drinks is recognised at the point of sale, when the significant risks and rewards of ownership have passed to the buyer.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% per annum on a straight line basis
Land and buildings Leasehold	None
Fixtures, fittings & equipment	20% per annum on a reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

No depreciation is provided on long leasehold property on the basis that the company is the freeholder of the whole building, and therefore holds the reversionary interest in the property on the expiry of the lease.

RED HOT PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

(Continued)

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

RED HOT PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

RED HOT PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

(Continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 5 (2015 - 4).

3 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	-	771
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	3,915	-
	<u> </u>	<u> </u>
Total tax charge	<u>3,915</u>	<u>771</u>

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 November 2015	571,885	63,994	635,879
Additions	5,340	7,688	13,028
	<u> </u>	<u> </u>	<u> </u>
At 31 October 2016	577,225	71,682	648,907
	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment			
At 1 November 2015	-	44,197	44,197
Depreciation charged in the year	2,849	4,594	7,443
	<u> </u>	<u> </u>	<u> </u>
At 31 October 2016	2,849	48,791	51,640
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 October 2016	<u>574,376</u>	<u>22,891</u>	<u>597,267</u>
At 31 October 2015	<u>571,885</u>	<u>19,797</u>	<u>591,682</u>

RED HOT PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

5 Debtors		2016	2015
Amounts falling due within one year:		£	£
Prepayments and accrued income		3,241	2,515
		<u>3,241</u>	<u>2,515</u>
6 Creditors: amounts falling due within one year		2016	2015
	Notes	£	£
Bank loans and overdrafts		-	30,202
Trade creditors		10,639	8,225
Amounts due to group undertakings		-	1,178
Corporation tax		-	771
Other taxation and social security		8,771	6,806
Other creditors		157	-
Accruals and deferred income		8,967	8,225
		<u>28,534</u>	<u>55,407</u>
7 Creditors: amounts falling due after more than one year		2016	2015
	Notes	£	£
Other borrowings		433,290	514,000
		<u>433,290</u>	<u>514,000</u>
<p>Other borrowings above represent an unsecured, interest free loan from the parent company, MBM (South West) Limited which is repayable within 5 years.</p> <p>Under FRS 102 financing transactions at below a market rate of interest are required to be measured at the present value of the future repayments. Accordingly, the future repayments over the term of the loan have been discounted at a rate of interest of 5% per annum, with the total discount of £136,974 credited to the Equity reserve (see note 9 to the financial statements).</p> <p>The unwinding of the discount above amounting to £17,264 (2015 - £nil) has been debited to Interest payable in the Profit and Loss Account.</p>			
8 Called up share capital		2016	2015
		£	£
Ordinary share capital Issued and fully paid			
7 Ordinary Shares of £1 each		7	7
		<u>7</u>	<u>7</u>

RED HOT PUB COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

9 Equity reserve

	2016 £	2015 £
At beginning of year	-	-
Other movements	136,974	-
At end of year	<u>136,974</u>	<u>-</u>

The Equity reserve is a non-distributable which represents the capital contribution made by the parent company, MBM (South West) Limited, when it advanced the long term, interest free loan to the company (see note 7 to the financial statements).

10 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchase of goods	
	2016 £	2015 £
Other related parties	<u>13,611</u>	<u>-</u>

The related party transactions above are with Caterfood (South West) Limited. Prior to 31 October 2015 the company was a subsidiary of Caterfood Holdings Limited (the parent company also of Caterfood (South West) Limited and in which Mr C Taylor and Mr M Felton have an interest) and advantage has been taken of the exemption under FRS 102 from disclosing intra-group related party transactions.

The following amounts were outstanding at the reporting end date:

	2016 £	2015 £
Amounts owed to related parties		
Other related parties	<u>1,731</u>	<u>-</u>

The balance owed to related parties above is owed to Caterfood (South West) Limited.