

Registered no. 773451

Apostrophe Pubs Limited

Report and Financial Statements

27 September 2014

MONDAY



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29/06/2015

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COMPANIES HOUSE

Directors

J Phillimore
A J W Wallis (resigned 17 December 2014)
P R Wells
P J Wells
A R Fryer

Auditors

Ernst & Young LLP
400 Capability Green
Luton
Beds
LU1 3LU

Solicitors

Freeths LLP
Power House
Harrison Close
Knowlhill
Milton Keynes
MK5 8PA

Registered Office

The Eagle Brewery
Havelock Street
Bedford
MK40 4LU

STRATEGIC REPORT

The directors present their strategic report for the year ended 27 September 2014.

Principle activity

The company's principle activity is to operate a managed public house.

Review of the year

The company commenced trading in February 2014, Apostrophe Pubs represents the Charles Wells group's return to managed houses in the UK, with the first site opening during the current year. As a result of the high start-up costs, including establishing the Apostrophe concept and the pre-opening costs of the site, the company has reported a loss for the year, after taxation, amounting to £34,000 (2013: £nil). The directors do not recommend the payment of any dividends (2013: £nil).

Key performance indicators

The company's key performance indicators going forwards will be focused on sales turnover, gross profit percentage (wet and dry) as well as staff costs as a percentage of sales.

Risks and uncertainties

The company is sheltered from many risks and uncertainties through its operation in the Charles Wells Group. The group has policies in place which manage key risks in respect of interest rate, foreign currency, working capital and liquidity ensuring that significant costs are not passed down.

Future developments

The directors expect the company to trade profitably going forward and will look to identify further opportunities to be able to add additional managed pub sites to the existing one. The second site has already been identified and is expected to open during the next financial year.

By order of the board



A R Fryer
Director

24 June 2015

DIRECTORS' REPORT**Directors and their interests**

The directors as set out on page 2, had no interest, as defined by the Companies Act 2006, in the share capital of the company at any time during the period. The directors are also directors of Charles Wells Limited, the ultimate parent company, and details of their interests therein are shown in the director's report of that company for the year ended 27 September 2014.

Directors' and officers' liability insurance

Charles Wells Limited maintains insurance against certain liabilities, which could arise from a negligent act or a breach of duty by its directors and officers in the discharge of their duties.

Political and charitable donations

The company made no political or charitable donations during the period (2013: £nil).

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out within the Strategic report. The Company is expected to generate positive cash flows for the foreseeable future following the initial start-up costs incurred in the current year resulting in a loss but is currently reliant on continued support from the parent undertaking.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company will be able to operate within the level of its current facilities. The directors have considered the current economic uncertainties facing the wider economic community and have reflected such uncertainties within the future forecasts.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 2. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



A R Fryer
Director

24 June 2015

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Apostrophe Pubs Limited for the period ended 27 September 2014 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent, with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 September 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APOSTROPHE PUBS LIMITED (continued)

Matters on which we are required to report by exception

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

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



Andrew Clewer (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Luton

26/6/15

PROFIT & LOSS ACCOUNT

For the year ended 27 September 2014

	Notes	2014 £000	2013 £000
Turnover	2	982	-
Operating costs	4	(1,025)	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(43)	-
Tax on profit on ordinary activities	6	9	-
		<hr/>	<hr/>
Loss on ordinary activities after taxation		(34)	-
		<hr/> <hr/>	<hr/> <hr/>

All income and profits are derived from the continuing activities of the company. The historical cost profit for the period is as shown above.

There are no recognised gains and losses for the current financial period other than the loss of £34,000 (2013: £nil).

BALANCE SHEET
at 27 September 2014

	Note	2014 £000	2013 £000
CURRENT ASSETS			
Stock	7	20	-
Debtors	8	11	10
Cash		167	-
		<u>198</u>	<u>10</u>
CREDITORS: Amounts falling due within 1 year	9	(172)	-
		<u>26</u>	<u>10</u>
NET CURRENT ASSETS			
CREDITORS: Amounts due in more than 1 year			
Amounts due to parent undertaking		(50)	-
		<u>(24)</u>	<u>10</u>
NET (LIABILITIES) / ASSETS			
CAPITAL AND RESERVES			
Called up share capital	10	10	10
Profit and loss account		(34)	-
		<u>(24)</u>	<u>10</u>



A R Fryer
Director

24 June 2015

NOTES TO THE FINANCIAL STATEMENTS at 27 September 2014

I. ACCOUNTING POLICIES

Accounting convention

The financial statements of Apostrophe Pubs Limited were approved for issue by the Board of Directors on 24 June 2015.

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, and in compliance with the Companies Act 2006.

The directors have taken advantage of the exemption in financial reporting standard no 1 (Revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

Fundamental uncertainty

Notwithstanding the net liabilities, the company is dependent upon the continued support of its parent undertaking to provide sufficient working capital for the foreseeable future.

Related party transactions

The company is a wholly owned subsidiary of Charles Wells Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Charles Wells Limited group.

Accounting reference date

The accounting reference date of all companies in the group is 30 September and financial statements are drawn up to a Saturday within seven days of that date, which for 2014 is 27 September 2014.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Where law or accounting standards require gains and losses to be recognised in the statement of total recognised gains and losses, the related taxation is taken directly to the statement of total recognised gains and losses in due course.

Income tax

The income tax credit comprises both the income tax on the loss for the year and deferred tax. It is calculated using taxation rates enacted or substantively enacted by the balance sheet date and is measured at the amount expected to be recovered from or paid to the taxation authorities.

NOTES TO THE FINANCIAL STATEMENTS

at 27 September 2014

1. ACCOUNTING POLICIES (CONTINUED)**Revenue recognition**

Revenue represents the value of goods supplied to customers. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch of the goods.

Trade payables

Trade creditors are non-interest bearing and are stated at their nominal value.

Stock

Stock in trade is valued at the lower of cost and net realisable value. Finished goods comprise of purchased cost.

Cash

Cash in the balance sheet comprises of cash at bank and in hand.

Operating leases

Operating lease payments are taken to the profit and loss account on a straight line basis.

2. TURNOVER

Turnover consists of sale of products and letting of rooms to customers within its public house. All turnover relates to the main activity of the company and generated in the UK.

3. REMUNERATION OF DIRECTORS

No director received emoluments for services to the company. The directors receive emoluments from other group companies for services to those companies.

4. OPERATING LOSS

Operating loss is stated after charging:

	2014	2013
	£000	£000
Cost of sales:		
Changes in stock	(20)	-
Cost of finished goods and raw materials	332	-
Staff Costs: Wages & salaries	391	-
Social security	27	-
Operating lease rentals	70	-
Other operating costs	194	-
Administrative expenses	31	-
	<u>1,025</u>	<u>-</u>

Auditors' remuneration is borne by the ultimate parent undertaking.

5. STAFF NUMBERS

The average number of persons employed by the Company during the year was as follows:

	2014	2013
	No.	No.
Pubs – kitchen and bar staff	29	-
	<u>29</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
at 27 September 2014

6. TAXATION

a) The taxation credit is made up as follows:

	2014 £000	2013 £000
Corporation tax – current period	9	-
	<u>9</u>	<u>-</u>
Deferred tax	-	-
	<u>9</u>	<u>-</u>

b) Factors affecting the tax (charge)/credit for the period

	2014 £000	2013 £000
Loss on ordinary activities before tax	43	-
	<u>43</u>	<u>-</u>
Profit before tax multiplied by standard rate of tax of 22% (2013: 23.5%)	9	-
	<u>9</u>	<u>-</u>
Current tax credit for the year	9	-
	<u>9</u>	<u>-</u>

Finance Act 2013 introduced the legislation to reduce the rate to 20% from 1 April 2015. As this change in rate was substantively enacted by the balance sheet date the Company is required to reflect the new rate in the deferred tax balances at 27 September 2014 and the balances are therefore stated at 20%.

7. STOCK

	2014 £000	2013 £000
Beer	10	-
Wines & spirits	10	-
	<u>20</u>	<u>-</u>

8. DEBTORS

	2014 £000	2013 £000
Amounts due from group undertaking	10	-
Other debtors	1	-
	<u>11</u>	<u>-</u>

9. CREDITORS

	2014 £000	2013 £000
Trade Creditors	8	-
Amounts due to parent undertaking	88	-
Amounts due to fellow subsidiary	-	-
Taxation	9	-
Other creditors	85	-
	<u>172</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
at 27 September 2014

10. SHARE CAPITAL

	2014 No.	Authorised 2013 No.	called up 2014 £000	Allotted, and fully paid 2013 £000
Ordinary shares of £1 each	10,000	10,000	10	10

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 29 September 2012	10	1,071	1,081
Dividend paid	-	(1,071)	(1,071)
At 28 September 2013	10	-	10
Loss for the year	-	(34)	(34)
At 27 September 2014	10	(34)	(24)

12. OTHER FINANCIAL COMMITMENTS

At 27 September 2014, the company had the following annual commitments under non-cancellable operating leases:

	2014 £000	2013 £000
Expiring in:		
- within one year	-	-
- between two and five years	120	-
- after five years	-	-
	120	-

13. PARENT UNDERTAKING AND CONTROLLING PARTY

The parent undertaking of the smallest and largest group of undertakings for which group accounts are drawn up and of which the company is a member is Charles Wells Limited which is registered in England and Wales. Copies of Charles Wells Limited accounts can be obtained from the company's registered office, Havelock Street, Bedford, MK40 4LU.