

Amber Taverns Limited

**Strategic report, Directors report and
financial statements**

Company registered number 05335601

53 week period ended 5 February 2017



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Company information

Directors	G B Wardman J E Baer J Jones G Roberts C H Preston
Company Secretary	J Jones
Registered number	05335601
Registered office	The Victory Offices 112 Victory Road Blackpool FY1 3NW
Independent Auditor	KPMG LLP 1 St Peter's Square Manchester M2 3AE
Bankers	HSBC Bank Plc Level 6 Metropolitan House, CBX3, 321 Avebury Boulevard, Milton Keynes, MK9 2GA
Solicitors	Gowling WLG 4 More London Riverside, London, SE1 2AU

Strategic Report

Principal activity and review of business

The principal activity of the Company during the period was that of public house management.

The Directors are pleased to report sales of £64,951,801 (2016: £52,602,681), a 23.5% increase over the previous period.

Operating Profit before exceptional items was £8,735,964 (2016: £8,164,643), an increase of 7%.

Following the change of ownership in May 2014 the Company had a full valuation of its freehold property. These valuations were adopted and no further valuation has taken place. The movement on the revaluation reserve reflects the disposals of Ince and Castleford during the period and the impairment review of Felling, one of 2 sites held for sale and subsequently sold during April 2017.

Following an impairment review it was agreed that an impairment of £847,379 was required at the period end (2016: £nil). The Directors believe the estate carrying value to be appropriate.

Principal risks and uncertainties

Economic environment risk

Consumer sentiment remained positive following the UK referendum and the vote to leave the EU, with the triggering of Article 50 it appears this may now be more sensitive and with the announcement of a general election on June 8th 2017 more uncertainty is becoming evident within the economy and consumers attitude to spending. The board believes whilst there are cost pressures in the market place its emphasis on quality and value for money should continue to provide confidence to all stakeholders in the business.

The Directors note the upcoming general election whilst adding to uncertainty in the economy do not believe it will adversely affect consumer's decisions to frequent pubs.

The Company continues to acquire some closed public houses, but continues to pursue trading sites and acquired 5 former JD Wetherspoon sites during the latter half of the period and has acquired a further 2 properties which required licensing and consent for a change of use, the Company believe there are further opportunities from closed sites requiring change of use but continues to seek licensed properties in good locations at competitive prices. The Company intends to continue to consider acquisitions on a site by site basis.

Regulatory risk

The sector in which the Company operates has been subject to a high level of regulation over recent periods and any future changes to alcohol duty on beer and other products could add increased pressure on the Company's sales and margins. Changes to the national living wage from April 2017 may impact in the future on the terms of the operator agreement as planned increases are rolled out in future periods.

Financial risk management objectives and policies

The Company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effect on the financial performance of the Company by monitoring levels of debt finance and the related finance costs. The Company uses an interest cap to mitigate interest rate risk. The majority of sales are cash based transactions and therefore the Company is not exposed to credit risk. Financial performance is monitored by finance and operational Directors on a weekly and monthly basis.

Future developments

It is anticipated that the Company's portfolio will continue to grow as further acquisition and development opportunities arise.

Strategic Report *(continued)*

Financial key performance indicators

	53 week period ended 5 February 2017	52 week period ended 31 January 2016
	£	£
Turnover	64,952	52,603
Company EBITDA (1)	14,024	11,002
Unit EBITDA (2)	17,531	14,040
Operating Profit	8,736	8,165
	2017	2016
	No	No
Owned public houses at Period End	130	120

(1) Company earnings before interest, tax, depreciation and amortisation (EBITDA) is calculated based on the operating profit plus depreciation and amortisation charge as per management information.

(2) Unit EBITDA is calculated based on Company EBITDA plus central overhead costs

At the beginning of 2016/17 the Company owned 120 units. A further 12 units were acquired during the period and two sites in Ince and Castleford were disposed of. Eleven of the new sites were trading at 5 February 2017. The estate then consisted of 129 trading freehold public houses with a further site being refurbished. Since its period end the Company has disposed of 2 sites in Felling and Edlington but completed on 4 new sites and exchanged on 1 additional site.

In March 2015 the Group secured a revolving credit facility to facilitate its expansion program under its new ownership, in February 2016 it secured an increase to this facility to accelerate its acquisition program. These facilities are due to expire at the end of May 2019.

The Directors remain confident that the Company's well proven formula of a value offer in a modern community pub environment will generate further significant growth in profits in 2017-18 and that the Company will continue to develop and expand it's offering in the changing economic climate successfully.

By order of the board


J Jones
Director

17/7/ 2017

Directors' Report

The Directors present their report and the financial statements for the 53 week period ended 5 February 2017.

Results and Dividends

The profits for the period, after taxation, amounted to £7,646,391 (2016: £7,355,507).

No dividends have been paid in the period.

Directors

The Directors who served during the period were:

G B Wardman

J E Baer

J Jones

G Roberts

C H Preston

Qualifying third party indemnity provisions

The Directors benefited from qualifying indemnity insurance policies in place during the financial period.

Going concern

The Company is part of a group headed by Ingleby (1951) Limited which has positive net assets at the balance sheet date, and has indicated its intention to provide ongoing support to the subsidiaries of the group for at least 12 months and thereafter for the foreseeable future.

In light of the above, the Directors, having considered the current trading prospects, identifiable risks, working capital requirements and the availability of finance, are of the opinion that the Company is a going concern. The accounts have been prepared on this basis.

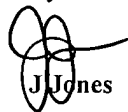
Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



Director

The Victory Office
112 Victory Road
Blackpool
Lancashire
FY1 3NW

17/7/2017

Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 judgements 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 adequate accounting records that are sufficient to show and explain the 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 Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



Independent Auditor's report to the members of Amber Taverns Limited

We have audited the financial statements of Amber Taverns Limited for the period ended 5 February 2017 set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 5 February 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.

Roger Nixon (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square, Manchester, M2 3AE

17 July 2017

Profit and Loss Account
for the 53 week period ended 5 February 2017

	<i>Note</i>	53 week period ended 5 February 2017 £	52 week period ended 31 January 2016 £
Turnover	1,2	64,951,801	52,602,681
Cost of sales		(25,038,084)	(20,514,798)
Gross profit		39,913,717	32,087,883
Administrative expenses	4	(31,221,673)	(23,963,719)
Other operating income	3	43,920	40,479
Operating profit		8,735,964	8,164,643
Interest receivable and similar income	7	-	343
Interest payable and similar charges	8	(4,408)	(4,063)
Profit before taxation		8,731,556	8,160,923
Taxation on profit for the period	9	(1,085,165)	(805,416)
Profit for the period		7,646,391	7,355,507

All amounts relate to continuing activities.

The notes on pages 11 to 19 form an integral part of these financial statements.

Other Comprehensive Income
for the 53 week period ended 5 February 2017

	53 week period ended 5 February 2017 £	52 week period ended 31 January 2016 £
Profit for the period	7,646,391	7,355,507
	<u> </u>	<u> </u>
Other comprehensive income		
Revaluation of tangible fixed assets	64,023	-
Tax on other comprehensive income	261,289	291,071
	<u> </u>	<u> </u>
Other comprehensive income for the period, net of income tax	325,312	291,071
	<u> </u>	<u> </u>
Total comprehensive income for the period	7,971,703	7,646,578
	<u> </u>	<u> </u>

The notes on pages 11 to 19 form an integral part of these financial statements.

Balance Sheet
at 5 February 2017

	<i>Note</i>	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	10		100,854,165		86,769,427
Current assets					
Stocks	11	3,660,152		2,831,508	
Debtors	12	1,615,374		1,136,276	
Cash and bank balances		2,135,841		2,104,323	
		<u>7,411,367</u>		<u>6,072,107</u>	
Creditors: amounts falling due within one year	13	<u>(54,027,462)</u>		<u>(46,284,042)</u>	
Net current liabilities			(46,616,095)		(40,211,935)
Total assets less current liabilities			54,238,070		46,557,492
Provisions for liabilities	14		(4,222,549)		(4,065,843)
Net Assets			50,015,521		42,491,649
Capital and reserves					
Called up share capital	15		3,234,298		3,234,298
Share premium account			984,298		984,298
Revaluation reserve			19,547,429		19,995,260
Profit and loss account			26,249,496		18,277,793
Shareholders' funds			50,015,521		42,491,649

The notes on pages 11 to 19 form an integral part of these financial statements.

The financial statements were approved and authorised by the board on **17** July 2017 and were signed on its behalf by:


J Jones
Director

Company registered number: 05335601

Statement of Changes in Equity

	Called up Share capital £	Share Premium account £	Revaluation reserve £	Profit and loss account £	Total equity £
Balance at 2 February 2015	3,234,298	984,298	19,995,260	10,631,215	34,845,071
<i>Total comprehensive income for the period</i>					
Profit or loss	-	-	-	7,355,507	7,355,507
Other comprehensive income (note 15)	-	-	-	291,071	291,071
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	7,646,578	7,646,578
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Reserves transfer	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 January 2016	3,234,298	984,298	19,995,260	18,277,793	42,491,649
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	Called up Share capital £	Share Premium account £	Revaluation reserve £	Profit and loss account £	Total equity £
Balance at 1 February 2016	3,234,298	984,298	19,995,260	18,277,793	42,491,649
<i>Total comprehensive income for the period</i>					
Profit or loss	-	-	-	7,646,391	7,646,391
Other comprehensive income (note 15)	-	-	-	325,312	325,312
Amounts recognised directly in equity	-	-	(447,831)	-	(447,831)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	(447,831)	7,971,703	7,483,989
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 05 February 2017	3,234,298	984,298	19,547,429	26,249,496	50,015,521
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The notes on pages 11 to 19 form an integral part of these financial statements.

Notes to the Financial Statements

1 Accounts Policies

Basis of preparation

Amber Taverns Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Ingleby (1951) Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Ingleby (1951) Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Ingleby (1951) Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis except for the following assets and liabilities are stated at their fair value: tangible fixed assets are measured in accordance with the revaluation model.

Going concern

The Company is part of a group headed by Ingleby (1951) Limited which has positive net assets at the balance sheet date, and has indicated its intention to provide ongoing support to the subsidiaries of the group for at least 12 months and thereafter for the foreseeable future.

In light of the above, the Directors, having considered the current trading prospects, identifiable risks, working capital requirements and the availability of finance, are of the opinion that the Company is a going concern. The accounts have been prepared on this basis.

Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

Turnover is recognised when the significant risks and benefits of ownership of the goods have transferred to the customer.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes (continued)

1 Accounts Policies (continued)

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Freehold buildings	-	50 years to an 80% residual value
Fixtures and fittings	-	10 years

Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Revaluation

Individual freehold and leasehold properties are stated at fair value less any subsequent accumulated depreciation and impairment losses.

Gains on revaluation are recognised in other comprehensive income and accumulated in revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost is based on the first-in first-out principle.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

Notes (continued)

1 Accounts Policies (continued)

Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, ("CGU's) or //CGU's// that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2 Turnover

The whole of the turnover is attributable to the principal activity of the Company.

All turnover arose within United Kingdom.

3 Other operating income

	53 week period ended 5 February 2017 £	52 week period ended 31 January 2016 £
Rents receivable	43,920	40,479

Notes (continued)

4 Expenses and auditor's remuneration

Included in profit/loss are the following:

	Period ended 5 February 2017 £	Period ended 31 January 2016 £
Depreciation of tangible fixed assets owned by the Company	3,083,015	2,154,230
Loss/(Profit) on disposal of tangible fixed assets	369,874	(73,165)
Impairment of tangible fixed assets	847,379	-
	<u>4,299,268</u>	<u>2,081,065</u>

Auditor's remuneration:

	Period ended 5 February 2017 £	Period ended 31 January 2016 £
Audit of these financial statements	15,500	15,000
Amounts receivable by the Company's auditor and its associates in respect of:		
- Taxation compliance services	6,000	6,000
	<u>21,500</u>	<u>21,000</u>

5 Staff numbers and costs

	Period ended 5 February 2017 £	Period ended 31 January 2016 £
Wages and salaries	2,008,321	1,825,519
Social security costs	179,707	154,770
Contributions to defined contribution plans	86,776	74,498
	<u>2,274,804</u>	<u>2,054,787</u>

The average monthly number of persons employed by the Company (including Directors), during the period was as follows

	Period ended 5 February 2017 No	Period ended 31 January 2016 No
Number of administration staff	37	27
Number of temporary staff	3	5
	<u>40</u>	<u>32</u>

6 Directors' remuneration

	Period ended 5 February 2017 £	Period ended 31 January 2016 £
Directors' remuneration	717,345	662,009
Company contributions to defined contribution schemes	98,800	256,871
	<u>816,145</u>	<u>918,880</u>

The aggregate of remuneration and Company pension contributions of the highest paid Director were £194,527 (2016: £206,027). Retirement benefits are accruing to four Directors under defined contribution schemes (2016: four).

Notes (continued)

7 Interest receivable

	Period ended 5 February 2017 £	Period ended 31 January 2016 £
Interest receivable	-	343

8 Interest payable

	Period ended 5 February 2017 £	Period ended 31 January 2016 £
Interest payable	4,408	4,063

9 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	Period ended 5 February 2017 £	Period ended 31 January 2016 £
<i>Current tax</i>		
UK corporation tax charge on profit for the period	667,170	437,192
Total current tax	667,170	437,192
<i>Deferred tax – see note 14</i>		
Origination and reversal of timing differences	417,995	368,224
On revalued assets	(261,289)	(291,071)
Total deferred tax	156,706	77,153
Tax on profit	823,876	514,345

	£	2017 £	£	£	2016 £	£
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	(667,170)	(417,995)	(1,085,165)	(437,192)	(368,224)	(805,416)
Recognised in other comprehensive income	-	261,289	261,289	-	291,071	291,071
Total tax	(667,170)	156,706	(823,876)	(437,192)	(77,153)	(514,345)

Notes (continued)

9 Taxation (continued)

Reconciliation of effective tax rate

	Period ended 5 February 2017 £	Period ended 31 January 2016 £
Profit for the period	7,646,391	7,355,507
Total tax expense	1,085,165	805,416
Profit excluding taxation	8,731,556	8,160,923
Profit multiplied by standard rate of corporation tax in the UK of 20% (2016: 20.17%)	1,746,311	1,646,058
Effects of:		
Non-tax deductible impairment	-	-
Expenses not deductible for tax purposes, other than impairment	61,168	2,180
Difference corporation tax rate and deferred tax rate	(168,669)	(197,538)
Tax exempt revenues	191,517	(19,729)
Group relief received	(745,162)	(625,555)
Total tax expense included in profit or loss	1,085,165	805,416

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 5 February 2017 has been calculated based on these rates.

Notes (continued)

10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost or valuation:			
At 31 January 2016	73,110,814	22,070,071	95,180,885
Additions	10,651,458	8,507,715	19,159,173
Disposals	(849,167)	(318,761)	(1,167,928)
	<hr/>	<hr/>	<hr/>
At 5 February 2017	82,913,105	30,259,025	113,172,130
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 31 January 2016	1,322,313	7,089,145	8,411,458
Charge for the period	313,232	2,769,783	3,083,015
Impairment losses	1,010,402	-	1,010,402
On disposals	(33,148)	(153,762)	(186,910)
	<hr/>	<hr/>	<hr/>
At 5 February 2017	2,612,799	9,705,166	12,317,965
	<hr/>	<hr/>	<hr/>
Net book value			
At 5 February 2017	80,300,306	20,553,859	100,854,165
	<hr/>	<hr/>	<hr/>
At 31 January 2016	71,788,501	14,980,926	86,769,427
	<hr/>	<hr/>	<hr/>

Leased assets

At period end, the net carrying amount of fixed assets leased under finance lease was £nil (2016: £nil).

Revaluation

Land and buildings are valued by independent valuers, CBRE Limited, external and independent Chartered Surveyors, in accordance with the RICS appraisal and valuation standards published by the Royal Institute of Chartered Surveyors every 3 years. The last valuation was carried out on 30 April 2014.

The historical cost of the freehold land and buildings included at valuation is £64,586,864 (2016: £55,846,901) and accumulated historical cost depreciation is £2,617,309 (2016: £2,358,962). As such, the historical cost net book value of the freehold land and buildings is £61,969,554 (2016: £53,487,939).

Security

The land and buildings of Amber Taverns Limited have been pledged as security against the bank loans of Ingleby (1952) Limited, a related company.

11 Stocks

	2017 £	2016 £
Goods for resale	3,660,152	2,831,508
	<hr/>	<hr/>

Notes (continued)

12 Debtors

	2017 £	2016 £
Trade debtors	584,212	469,340
Other debtors	786,204	516,647
Prepayments and accrued income	-	-
Corporation tax debtor	244,958	150,289
	<u>1,615,374</u>	<u>1,136,276</u>

13 Creditors: amount falling due within one year

	2017 £	2016 £
Trade creditors	4,928,118	4,036,329
Amounts owed to group undertakings	45,928,725	40,151,548
Other taxation and social security	909,998	342,705
Accruals and deferred income	2,260,621	1,753,460
	<u>54,027,462</u>	<u>46,284,042</u>

14 Deferred taxation

Deferred tax assets and liabilities are attributable to the following:

	Assets 2017 £	2016 £	Liabilities 2017 £	2016 £	Net 2017 £	2016 £
Accelerated capital allowances	-	-	(2,126,287)	(1,708,292)	(2,126,287)	(1,708,292)
On revalued assets	-	-	(2,096,262)	(2,357,551)	(2,096,262)	(2,357,551)
	<u>-</u>	<u>-</u>	<u>(4,222,549)</u>	<u>(4,065,843)</u>	<u>(4,222,549)</u>	<u>(4,065,843)</u>
Tax assets / (liabilities)	-	-	(4,222,549)	(4,065,843)	(4,222,549)	(4,065,843)

15 Capital and reserves

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
6,468,596 Ordinary shares of £0.50 each	<u>3,234,298</u>	<u>3,234,298</u>

Revaluation reserve

Where tangible fixed assets are revalued, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

Dividends

No dividends have been proposed either in the account period or after the balance sheet date.

Notes (continued)

15 Capital and reserves (continued)

Other comprehensive income

2017

	Revaluation reserve £	Profit and loss account £	Total Other comprehensive income £
<i>Other comprehensive income</i>			
Revaluation of tangible fixed assets	(447,831)	64,023	(383,808)
Deferred tax on other comprehensive income	-	261,289	261,289
	<u>(447,831)</u>	<u>325,312</u>	<u>(122,519)</u>
Total other comprehensive income	(447,831)	325,312	(122,519)

2016

	Revaluation reserve £	Profit and loss account £	Total Other comprehensive income £
<i>Other comprehensive income</i>			
Revaluation of tangible fixed assets	-	-	-
Deferred tax on other comprehensive income	-	291,071	291,071
	<u>-</u>	<u>291,071</u>	<u>291,071</u>
Total other comprehensive income	-	291,071	291,071

16 Capital commitments

The Company's contractual commitments to purchase tangible fixed assets at the period-end were £nil (2016: £nil).

17 Related parties

Advantage has been taken of the exemption given within FRS 102 Section 33 "Related Party Transactions" to wholly owned subsidiaries, not to disclose related party transactions with members of the group.

18 Ultimate parent undertaking and controlling related party

The Company is a subsidiary of Melli Limited. The ultimate parent Company is Ingleby (1951) Limited, which is the largest group in which the Company is a member and for which Group Financial Statements are drawn up. Ingleby (1951) Limited is registered in England. Copies of the consolidated financial statements of Ingleby (1951) Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

19 Post balance sheet events

Following the period end, the company disposed of two properties. The net amount receivable for these properties was £225,000, resulting in a loss on disposal of £42,484. This will be accounted for in the next financial period.