ELASTIC PRODUCTIONS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

30 APRIL 2018 TO 28 FEBRUARY 2019

Registered number 05421071

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COMPANY INFORMATION

DIRECTORS:	E Robertson M Grisman
REGISTERED OFFICE:	Whitchurch Lane Whitchurch Bristol BS14 0JZ
REGISTERED NUMBER:	05421071 (England and Wales)

Strategic Report

The Directors present their Strategic report for the period from 30th April 2018 to 28th February 2019.
The Directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

Elastic Productions Ltd ("the Company") principal activity during the period has been that of an experiential marketing agency operating within the drinks industry, operating in the UK.

Review of the business

Elastic Productions Ltd are a below-the line marketing agency specialising in alcohol and on-trade focussed brands. Services currently sold include: experiential marketing, field sales, sales promotion, on-trade activation, strategy, creative, design, promotional staffing and event production. Since the balance sheet date a process has commenced to wind down the activities of the Company.

Aims and objectives

The Company's ultimate objective is to grow profits and cash flows via a strategy centred on enhancing the customer offer and acquiring scale. To achieve this, the Company will grow its offering of current services to current and new customers and grow the offering of new services to all customers.

Principal risks and uncertainties:

Competition

The Company's competitors can be broken down into a number of sectors:
- *Alcohol and on-trade specific marketing agencies* who offer similar services as the Company to alcohol and on-trade focused brands.
- *Experiential specialist marketing agencies* who offer experiential marketing services to brands in various industries.
- *Field Marketing agencies* who offer field marketing services.
- *Full-service marketing agencies* who offer above and below the line marketing services.

Legal and regulatory environment

The Company acknowledges that it operates in an environment that has both a developing and increasing regulatory agenda, in the areas of health and safety, quality control, environmental obligations and employee welfare. The Company seeks to ensure that it works in an appropriate manner with the relevant regulatory bodies, obtains recognised accreditations and encourages a proactive approach to changes in the legal environment. In addition, anti-bribery and money laundering policies are regularly reviewed and relevant employees provided the training required to implement them.

Risk/uncertainty

The Company uses a consistent documented approach in its treatment of risk, ensuring appropriate mitigation over legal, regulatory and financial exposures. Regular management review and strategic exercises seek to identify those areas of risk and uncertainty that need to be addressed and put in place appropriate actions to moderate them.

Measurement

The Company has a well-established performance measurement system that focuses the business on the key levers of sales and job margin growth, together with cost control and cash generation. Detailed financial information can be found on pages 6 to 17 of these financial statements. A detailed annual planning process ensures that targets relating to business growth and development are set in conjunction with the Company's and Group's long-term strategy.

Strategic Report (continued)

Financial risk management

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main exposure to credit risk in the Company is represented by receivables owing to the Company. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of those assets, net of any provisions, as disclosed in the Balance Sheet and notes to the financial statements.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by maximising cash generation by its operations and ensuring adequate borrowing facilities are maintained.

Employees

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Employee involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests. All employees are communicated the performance of the Company as a whole at appropriate times throughout the year, with additional communications occurring through in-house newsletters and briefing groups.

Performance

The period has been a transitional year for the Company following the acquisition by C&C Group. This coupled with the entering into administration of the previous ultimate parent company has led to one off impacts on financial performance during the period and the balance sheet at 28 February 2019. Gross profit margin has increased from 42% to 46%, however administrative expenses have increased despite the 10 month period versus the 12 month comparative.

Approved by the Board on 22.11.19... and signed on its behalf by:

....
E Robertson
Director

Directors' Report

The Directors present their report together with the financial statements of Elastic Productions Limited (the 'Company') financial statements for the period ended 28th February 2019.

Results and dividends

The Company made a profit of £46,022 after tax for the period 30th April 2018 to 28th February 2019.

Directors of the company

The Directors who served throughout the year and up to the date of signing of the financial statements except as noted, were as follows:

E Robertson
M Grisman (appointed 26 November 2019)
A Pozzi (resigned 26 November 2019)
J Solesbury (resigned 26 November 2019)
D Johnston (resigned 29 January 2019)

Corporate governance

The Board meets regularly and reviews operating performance against the strategic business plan and detailed management budgets. This strategic business plan incorporates all aspects of strategy and associated risks; all proposals for contract variations are vetted before approval against the plan. The Board reserves its own decision on contractual expenditure above a certain amount and associated funding. The Board with help from the Risk and Audit Committee, decides upon the accounting policies which are appropriate for the Company and ensures they are consistently applied.

Political donations

The Company made no political donations nor incurred any political expenditure during the period (2018: £nil).

Going concern

Since the balance sheet date, a process has commenced to wind down the activities of the Company. As such, the financial statements are prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

Exemption from audit

For the period ended 28 February 2019 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 ('The Act').

Approved by the Board on 27 November 2019 and signed on its behalf by:

....
E Robertson
Director

Statement of Directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including *FRS 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 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.

Profit and Loss Account and Other Comprehensive Income
For the period ending 29 April 2018

	Note	28 February 2019 £	29 April 2018 £
TURNOVER	2	3,702,228	4,802,545
Cost of sales		(1,994,246)	(2,803,902)
GROSS PROFIT		1,707,982	1,998,643
Administration expenses		(1,667,175)	(1,661,165)
OPERATING PROFIT	3	40,807	337,478
Interest Receivable	5	53	9
PROFIT BEFORE TAXATION		40,860	337,487
Tax on profit	6	5,162	(94,778)
PROFIT FOR THE FINANCIAL PERIOD		46,022	242,709
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		46,022	242,709

The notes on pages 9 to 17 form part of these financial statements.
There was no other comprehensive income for the current period or preceding year other than the profit for the period.

Balance Sheet
at 28 February 2019

	Note	28 February 2019 £	28 February 2019 £	29 April 2018 £	29 April 2018 £
FIXED ASSETS					
Tangible Assets	*8*		175,140		126,102
CURRENT ASSETS					
Debtors	*9*	1,213,231		1,660,819	
Cash at bank and in hand		471,004		137,974	
		1,684,235		1,798,793	
CREDITORS					
Amounts falling due within one year	*10*	(1,185,866)		(1,297,408)	
NET CURRENT ASSETS			498,369		501,385
NET ASSETS			673,509		627,487
CAPITAL AND RESERVES					
Called up share capital	*11*		150		150
Profit and loss account			673,359		627,337
SHAREHOLDERS' SURPLUS			673,509		627,487

The notes on pages 9 to 17 form an integral part of these financial statements

For the period ending 28 February 2019 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 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 the accounts.

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

These financial statements were approved by the board of Directors on 12 November 2019 and were signed on its behalf by:

....

E Robertson
Director

Statement of Changes in Equity

	CALLED UP SHARE CAPITAL	PROFIT AND LOSS	TOTAL EQUITY
	£	£	£
AS AT 30 APRIL 2017	**150**	**384,628**	**384,778**
Total comprehensive profit for the period	-	242,709	242,709
AS AT 29 APRIL 2018	**150**	**627,337**	**627,487**
Total comprehensive profit for the period	-	46,022	46,022
AS AT 28 FEBRUARY 2019	**150**	**673,359**	**673,509**

Notes to the financial statements

1. ACCOUNTING POLICIES

Accounting convention

Elastic Productions Limited ("the Company") is a private company limited by shares incorporated and domiciled in England and Wales in the UK.

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding periods.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and on the historical cost basis.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investments;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Accounting judgements

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are as follows:

Impairment of trade receivables
The assessments undertaken in recognising provisions have been made in accordance with IAS 39. A provision for the impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all outstanding amounts in full, or there are indications that collection is doubtful which requires judgement from management.

Estimates of work in progress
Due to the nature of the services provided by the Company, estimations are required as to the percentage completion of work performed.

Going Concern

Since the balance sheet date, a process has commenced to wind down the activities of the Company. As such, the financial statements are prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

Notes to the financial statements (continued)

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors
Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors
Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances, call deposits and bank loans and overdrafts.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

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. 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.

Notes to the financial statements (continued)

Tangible Fixed assets

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

Short leasehold	-	In accordance with lease agreement
Fixtures and fittings	-	25% on cost
Computer equipment	-	50% on cost

Intangible Fixed assets

Depreciation is provided over its estimated useful life.

Website Development	-	3 years

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 years.
Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

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.

2. TURNOVER

Turnover consists of sales in the United Kingdom arising from the Company's principal activity, being an experiential marketing agency operating within the drinks industry.

Notes to the financial statements (continued)

3. OPERATING PROFIT

The operating profit is stated after charging:

	28 February 2019	29 April 2018
	£	£
Depreciation - owned assets	47,134	37,880
Operating lease	66,680	69,200
Pension costs	17,348	16,934

Auditor's Remuneration:

Audit fees of these financial statements (2018 fees are borne by Parent entity)	-	-

4. STAFF NUMBERS AND COSTS

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

	28 February 2019	29 April 2018
Operational staff	35	33
Administration staff	1	1
	36	34

The aggregate payroll costs of these persons were as follows:

	28 February 2019	29 April 2018
	£	£
Wages and salaries	728,410	995,336
Social security costs	82,535	106,691
Other pension costs	17,348	16,934
	828,293	1,118,961

Notes to the financial statements (continued)

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	28 February 2019 £	29 April 2018 £
Bank interest received	53	9
	53	9

6. TAXATION

(a) The tax charge is based on the taxable profits for the period and comprises

	28 February 2019 £	29 April 2018 £
Current tax		
- Current tax on profits for the period	1,930	94,797
- Adjustment in respect of previous period	-	7,850
Total current tax	1,930	102,647
Deferred tax		
- Current period	1,157	522
- Adjustment in respect of previous periods	(7,717)	(9,317)
- Effect of changes in tax rates	(532)	926
Total deferred tax	(7,092)	(7,869)
Tax per income statement	**(5,162)**	**94,778**

Notes to the financial statements (continued)

(b) Factors Affecting Total Tax Charge for the Current Period

A corporation tax rate of 19% applies for the period from 1 April 2018 to 31 March 2020. A rate of 18% applies for the year beginning 1 April 2020 and onwards.

The charge for the period can be reconciled to the profit per the income statement as follows:	**28 February 2019**	**29 April 2018**
	£	£
Profit for the period - continuing activities	40,860	338,714
Effects of:		
Tax on profit at standard UK tax rate of 19.00% (2018: 19.00%)	7,763	64,356
Adjustments in respect of prior years	(7,717)	(1,467)
Expenses not deductible	2,655	30,391
Transfer pricing adjustments	695	572
Tax rate changes	(122)	926
Effects of group relief	(8,436)	-
Tax charge for the period	(5,162)	94,778
Income tax expense reported in the income statement	(5,162)	94,778

(c) Factors affecting future tax charges

A reduction in the corporation tax rate from 19% to 18% (effective from 1 April 2020) was substantively enacted on 6 September 2016. Deferred tax has been calculated at 18% on the basis that it is assumed that the underlying timing differences will unwind at this rate.

Notes to the financial statements (continued)

7. DIRECTORS' REMUMERATION

	28 February 2019	29 April 2018
	£	£
Salary	-	50,000
Pension contribution	-	4,578
Car allowance	-	2,875
Other benefits	-	2,585
	-	60,038

Director remuneration is bourne by another Company within the C&C Group plc Group. There were no retirement benefits paid in the period (2018 – £nil) to any director or past director.

8. FIXED ASSETS

	Short leasehold	Fixtures and fittings	Computer equipment	Website development	Total
	£	£	£	£	£
COST					
At 30 April 2018	181,846	28,342	91,915	35,064	337,167
Additions	1,229	62,114	22,831	9,998	96,172
At 28 February 2019	183,075	90,456	114,746	45,062	433,339
DEPRECIATION					
At 30 April 2018	112,081	19,782	71,412	7,790	211,065
Charge for period	15,023	3,892	17,646	10,573	47,134
At 28 February 2019	127,104	23,674	89,058	18,363	258,199
NET BOOK VALUE					
At 30 April 2018	69,765	8,560	20,503	27,274	126,102
At 28 February 2019	55,971	66,782	25,688	26,699	175,140

Notes to the financial statements (continued)

9. DEBTORS

	28 February 2019 £	29 April 2018 £
Amounts falling due within one year:		
Trade debtors	1,180,340	1,346,148
Deferred tax	14,961	7,869
Current tax debtor	1,244	-
Amounts due from group undertakings	-	258,844
Directors' Loan	2,403	9,376
Prepayments and accrued income	14,283	38,582
	1,213,231	1,660,819

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 February 2019 £	29 April 2018 £
Trade creditors	282,318	117,100
Tax creditor	-	90,270
Social security and other taxes	132,779	149,734
Amounts owed to group undertakings	129,791	107,598
Accruals and deferred income	640,978	832,705
	1,185,866	1,297,408

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	28 February 2019 £	29 April 2018 £
150	Ordinary shares	£1	150	150

Notes to the financial statements (continued)

12. COMMITMENTS

Commitments under non-cancellable operating leases are as follows:

	Land and buildings	
	28 February 2019	29 April 2018
	£	£
Operating leases commitments:		
- Within one year	71,196	71,196
- In the second to fifth year	89,061	148,391
- Over five years	-	-
	160,257	219,587

13. PENSIONS

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company. The pension cost charge represents contributions payable by the Company to the fund and amounted to £17,348 (2018: £16,934).

14. DIRECTORS' LOANS AND OTHER DIRECTORS' INTERESTS

Previous directors of the company owe £2,403 (2018: £9,376) to the company as at the period end.

Mr C Bayliss and Mr D Rowntree, previous directors of the company, are directors of Big Hug Brewing Limited. During the period, recharges of £4,542 (2018: £4,347) were made to Big Hug Brewing Limited for purchases made on their behalf. Included within debtors due within one year is £nil (2018: £63) due from Big Hug Brewing Limited.

15. RELATED PARTY TRANSACTIONS

In accordance with the exemption available under FRS 101, transactions with other wholly owned undertakings within the C&C Group Plc group have not been disclosed within these financial statements.

16. ULTIMATE CONTROLLING PARTY

The Company's immediate parent undertaking is Matthew Clark Bibendum Limited, a Company incorporated in the United Kingdom.

The Company's ultimate controlling party is C&C Group Plc, a Company incorporated in Ireland (registered office Bulmer House, Keeper Road, Dublin 12).