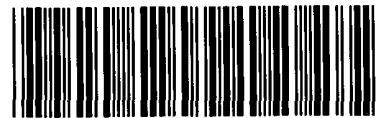


Company Registration No. 08895755 (England and Wales)

FULL HOUSE RESTAURANTS HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2015

RICHES
& COMPANY
CHARTERED
ACCOUNTANTS

WEDNESDAY



L5GHX6FT

LD4

28/09/2016

#356

COMPANIES HOUSE

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J. E. Shedden B. J. Shedden S. G. Hemsley
Secretary	C. J. Shedden
Company number	08895755
Registered office	34 Anyards Road Cobham Surrey KT11 2LA
Auditor	Riches and Company 34 Anyards Road Cobham Surrey KT11 2LA

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Profit and loss account	6
Statement of comprehensive income	7
Group balance sheet	8
Company balance sheet	9
Group statement of changes in equity	10
Company statement of changes in equity	11
Group statement of cash flows	12
Notes to the financial statements	13 - 32

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 27 DECEMBER 2015

The directors present the strategic report for the period ended 27 December 2015.

Fair review of the business

During the previous year ended 28 December 2014 the entire issued share capital of Full House Restaurants Limited and House Special Limited, incorporating subsidiary The Woodpecker Inn Limited, were acquired by this company Full House Restaurants Holdings Limited. These were all companies previously under common control. Several new subsidiaries were also added to the group during the previous year ended 28 December 2014, adding 7 stores.

Owing to favourable market conditions during the current year ended 27 December 2015 and building on the strength of the new acquisitions last year, group turnover has increased from £24.4m in 2014 to £33.5m in 2015 leading to increased gross profit; £10.9m in 2015 compared to £7.5m in 2014 and increased operating profit; £1.1m in 2014 to £3m in 2015.

Principal risks and uncertainties

The Board has a policy of continuous identification and review of key business risks and uncertainties. It oversees the development of processes to ensure that those risks are managed appropriately and operational management is delegated with the task of implementing these processes and reporting to the Board on their outcome.

The principal risk facing the business is competition in the takeaway market. The company has a strong standing in this respect and the Directors remain vigilant to ensure that the company continues to work diligently in maintaining the standards of quality and service.

On behalf of the board



J. E. Shedden
Director

20 September 2016

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 27 DECEMBER 2015

The directors present their annual report and financial statements for the period ended 27 December 2015.

Principal activities

The principal activity of the company and group continued to be that of the management and operation of fast food restaurants.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

J. E. Shedden
B. J. Shedden
S. G. Hemsley

Results and dividends

The results for the period are set out on page 6.

An interim ordinary dividend was paid amounting to £500,000. The directors do not recommend payment of a final dividend.

Political donations

The recipients and amounts of the political donations are as follows:

The Conservative Party £2,000
Surrey Heath Conservatives £3,000

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Future developments

The overall business outlook remains positive; the directors are experienced in the takeaway business and are well aware of the challenges that require consistently applied, high quality procedures to minimise risks. The group continues to invest in its operations and maintains high standards in product quality and staff training.

Auditor

The auditor, Riches and Company, have signified their willingness to continue in office and will be deemed to be reappointed under section 487(2) of the Companies Act 2006.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

Statement of directors' responsibilities

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

Company law requires the directors to prepare 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board



J. E. Shedden

Director

20 September 2016

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FULL HOUSE RESTAURANTS HOLDINGS LIMITED

We have audited the financial statements of Full House Restaurants Holdings Limited for the period ended 27 December 2015 set out on pages 6 to 32. 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), 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 pages 2 - 3, 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 group's and the parent 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 annual report 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 group's and the parent company's affairs as at 27 December 2015 and of its profit 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 the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FULL HOUSE RESTAURANTS HOLDINGS LIMITED

RICHERS
& COMPANY
CHARTERED
ACCOUNTANTS

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



Nicholas Caso (Senior Statutory Auditor)
for and on behalf of Riches and Company

20 September 2016

Chartered Accountants
Statutory Auditor

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 27 DECEMBER 2015

		Period ended 27 December 2015 £	Period ended 28 December 2014 £
	Notes		
Turnover	3	33,592,077	24,439,328
Cost of sales		(22,616,131)	(16,938,905)
Gross profit		10,975,946	7,500,423
Administrative expenses		(7,989,035)	(6,364,052)
Other operating income		59,522	16,088
Operating profit	4	3,046,433	1,152,459
Interest receivable and similar income	8	2,049	103
Interest payable and similar charges	9	(213,288)	(121,346)
Amounts written off investments	10	-	(300)
Profit before taxation		2,835,194	1,030,916
Taxation	11	(809,897)	(332,677)
Profit for the financial period	27	2,025,297	698,239

The profit and loss account has been prepared on the basis that all operations are continuing operations.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 27 DECEMBER 2015

	Period ended 27 December 2015 £	Period ended 28 December 2014 £
Profit for the period	2,025,297	698,239
Other comprehensive income	-	-
Total comprehensive income for the period	<u>2,025,297</u>	<u>698,239</u>

Total comprehensive income for the period is all attributable to the owners of the parent company.

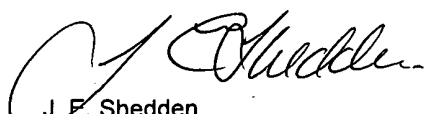
FULL HOUSE RESTAURANTS HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 27 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Goodwill	13	7,731,870		8,266,766	
Other intangible assets	13	11,095		17,082	
Total intangible assets		7,742,965		8,283,848	
Tangible assets	14	3,272,945		3,198,759	
		11,015,910		11,482,607	
Current assets					
Stocks	18	130,381		116,904	
Debtors	19	422,856		409,337	
Cash at bank and in hand		2,170,267		1,221,567	
		2,723,504		1,747,808	
Creditors: amounts falling due within one year	20	(5,127,146)		(5,132,902)	
Net current liabilities		(2,403,642)		(3,385,094)	
Total assets less current liabilities		8,612,268		8,097,513	
Creditors: amounts falling due after more than one year	21	(4,338,685)		(5,505,493)	
Provisions for liabilities	24	(516,380)		(360,114)	
Net assets		3,757,203		2,231,906	
Capital and reserves					
Called up share capital	26	1,000		1,000	
Other reserves	27	206,590		206,590	
Profit and loss reserves	27	3,549,613		2,024,316	
Total equity		3,757,203		2,231,906	

The financial statements were approved by the board of directors and authorised for issue on 20 September 2016 and are signed on its behalf by:


J. E. Shedden
Director

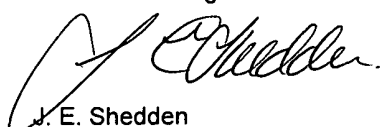
FULL HOUSE RESTAURANTS HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 27 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Investments	15		4,783,893		4,783,893
Current assets					
Debtors	19	1,000		692,039	
Cash at bank and in hand		2,111,176		114,776	
		<u>2,112,176</u>		<u>806,815</u>	
Creditors: amounts falling due within one year	20	<u>(3,823,631)</u>		<u>(2,053,180)</u>	
Net current liabilities			<u>(1,711,455)</u>		<u>(1,246,365)</u>
Total assets less current liabilities			3,072,438		3,537,528
Creditors: amounts falling due after more than one year	21		<u>(3,058,647)</u>		<u>(3,549,174)</u>
Net assets/(liabilities)			<u>13,791</u>		<u>(11,646)</u>
Capital and reserves					
Called up share capital	26	1,000		1,000	
Profit and loss reserves	27	12,791		(12,646)	
Total equity			<u>13,791</u>		<u>(11,646)</u>

The financial statements were approved by the board of directors and authorised for issue on 20 September 2016 and are signed on its behalf by:



J. E. Shedden
Director

Company Registration No. 08895755

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 27 DECEMBER 2015

	Notes	Share capital £	Other reserves £	Profit and loss reserves £	Total £
Balance at 30 December 2013		1,000	206,590	1,436,077	1,643,667
Period ended 28 December 2014:					
Profit and total comprehensive income for the period		-	-	698,239	698,239
Dividends	12	-	-	(110,000)	(110,000)
Balance at 28 December 2014		1,000	206,590	2,024,316	2,231,906
Period ended 27 December 2015:					
Profit and total comprehensive income for the period		-	-	2,025,297	2,025,297
Dividends	12	-	-	(500,000)	(500,000)
Balance at 27 December 2015		1,000	206,590	3,549,613	3,757,203

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 27 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 30 December 2013		1,000	-	1,000
Period ended 28 December 2014:				
Loss and total comprehensive income for the period		-	(12,646)	(12,646)
Balance at 28 December 2014		1,000	(12,646)	(11,646)
Period ended 27 December 2015:				
Profit and total comprehensive income for the period		-	525,437	525,437
Dividends	12	-	(500,000)	(500,000)
Balance at 27 December 2015		1,000	12,791	13,791

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 27 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	29	3,511,660		4,091,634	
Interest paid		(213,288)		(121,346)	
Income taxes paid		(352,460)		(31,913)	
Net cash inflow from operating activities		2,945,912		3,938,375	
Investing activities					
Purchase of intangible assets		-	(343,240)		
Purchase of tangible fixed assets		(642,489)	(524,890)		
Proceeds on disposal of tangible fixed assets		5,640	2,000		
Purchase of subsidiaries		-	(5,099,413)		
Proceeds from other investments and loans		-	(300)		
Interest received		2,049	103		
Net cash used in investing activities		(634,800)		(5,965,740)	
Financing activities					
Repayment of borrowings		(53,240)	(1,029,180)		
Repayment of bank loans		(801,917)	3,801,220		
Payment of finance leases obligations		(7,255)	(59,260)		
Dividends paid to equity shareholders		(500,000)	(110,000)		
Net cash (used in)/generated from financing activities		(1,362,412)		2,602,780	
Net increase in cash and cash equivalents		948,700		575,415	
Cash and cash equivalents at beginning of period		1,221,567		646,152	
Cash and cash equivalents at end of period		2,170,267		1,221,567	

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 DECEMBER 2015

1 Accounting policies

Company information

Full House Restaurants Holdings Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is 34 Anyards Road, Cobham, Surrey KT11 2LA.

The group consists of Full House Restaurants Holdings Limited and all of its subsidiaries.

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.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £525,437 (2014 - £12,646 loss).

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

1 Accounting policies

(Continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Full House Restaurants Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 27 December 2015. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

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

1.4 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

1 Accounting policies

(Continued)

1.5 Intangible fixed assets - goodwill

Goodwill represents the difference between the amount payable (including acquisition costs) on acquisition of subsidiary undertakings and the fair value of separable net assets. Goodwill also arises at the time of additional store acquisition when the price paid for the store exceeds the fair value of the net identifiable assets as specified in the terms of the purchase agreement. All goodwill is amortised through the profit and loss account over the directors' estimate of its economic life of 20 years.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation 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:

Franchise rights	10 years straight line
------------------	------------------------

1.7 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:

Land and buildings Freehold	Nil
Land and buildings Leasehold	Straight line over the life of the lease
Plant and machinery	10% per annum on cost - 15%/20% reducing balance
Computer equipment	10% per annum on cost - 3/5 years straight line
Motor vehicles	10% per annum on cost

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 recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

1 Accounting policies

(Continued)

1.10 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.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

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.

1.11 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.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its 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 receipts 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group 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 group.

1.14 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 group'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 if, and only if, there is 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.

1.15 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.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

1 Accounting policies

(Continued)

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2015 £	2014 £
Turnover		
Sale of goods	33,592,077	24,439,328
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	2,049	103
Rental income	34,522	16,088
	<u> </u>	<u> </u>
Turnover analysed by geographical market		
	2015 £	2014 £
United Kingdom	33,592,077	24,439,328
	<u> </u>	<u> </u>

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

4 Operating profit

	2015 £	2014 £
Operating profit for the period is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	540,057	448,646
Depreciation of tangible fixed assets held under finance leases	25,462	31,785
Profit on disposal of tangible fixed assets	(2,854)	1,156
Amortisation of intangible assets	540,883	530,683
Cost of stocks recognised as an expense	11,484,352	8,731,867
Operating lease charges	893,142	749,048
	<u>540,057</u>	<u>448,646</u>

5 Auditor's remuneration

	2015 £	2014 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,000	-
Audit of the company's subsidiaries	46,000	38,000
	<u>51,000</u>	<u>38,000</u>

6 Employees

The average monthly number of persons (including directors) employed by the group during the period was:

	2015 Number	2014 Number
Head office (including directors)	14	10
Stores	1,176	1,090
	<u>1,190</u>	<u>1,100</u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	9,637,035	7,160,269
Social security costs	462,500	380,544
Pension costs	37,299	28,807
	<u>10,136,834</u>	<u>7,569,620</u>

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	244,369	198,834
Company pension contributions to defined contribution schemes	1,094	2,671
	<u>245,463</u>	<u>201,505</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	137,349	118,047
Company pension contributions to defined contribution schemes	-	1,382
	<u>-</u>	<u>1,382</u>

8 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	2,049	103
	<u>2,049</u>	<u>103</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	2,049	103
	<u>2,049</u>	<u>103</u>

9 Interest payable and similar charges

	2015 £	2014 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	177,581	77,460
Interest on finance leases and hire purchase contracts	1,743	54
Other interest on financial liabilities	28,706	42,475
	<u>208,030</u>	<u>119,989</u>
Other finance costs:		
Other interest	5,258	1,357
	<u>5,258</u>	<u>1,357</u>
Total finance costs	<u>213,288</u>	<u>121,346</u>

10 Amounts written off investments

	2015 £	2014 £
Gain/(loss) on disposal of investments held at fair value	-	(300)
	<u>-</u>	<u>(300)</u>

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

11 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	634,384	287,168
Adjustments in respect of prior periods	(2,855)	278
Total current tax	631,529	287,446
Deferred tax		
Origination and reversal of timing differences	156,265	45,231
Tax losses carried forward	22,103	-
Total deferred tax	178,368	45,231
Total tax charge	809,897	332,677

During the period ended 27 December 2015 the applicable rate of corporation tax changed from 21% to 20%.

The actual charge for the period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2015 £	2014 £
Profit before taxation	2,835,194	1,030,916
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 21.00%)	567,039	216,492
Tax effect of expenses that are not deductible in determining taxable profit	9,617	12,240
Unutilised tax losses carried forward	14,280	3,273
Adjustments in respect of prior years	(2,855)	278
Effect of change in corporation tax rate	7,797	5,533
Group relief	-	(1,798)
Amortisation on assets not qualifying for tax allowances	65,494	-
Depreciation add back	142,525	204,283
Capital allowances	(153,426)	(152,855)
Origination and reversal of timing differences	178,368	45,231
Tax losses utilised	(18,942)	-
Tax expense for the period	809,897	332,677

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

12 Dividends

	2015 £	2014 £
Interim paid	500,000	110,000

13 Intangible fixed assets

Group	Goodwill £	Franchise rights £	Total £
Cost			
At 29 December 2014 and 27 December 2015	10,697,912	116,560	10,814,472
Amortisation and impairment			
At 29 December 2014	2,431,146	99,478	2,530,624
Amortisation charged for the period	534,896	5,987	540,883
At 27 December 2015	2,966,042	105,465	3,071,507
Carrying amount			
At 27 December 2015	7,731,870	11,095	7,742,965
At 28 December 2014	8,266,766	17,082	8,283,848

The company had no intangible fixed assets at 27 December 2015 or 27 December 2014.

The following intangible assets are material to the consolidated financial statements;
 Woking & Bracknell stores goodwill - carrying amount £451,435; amortisation period remaining is 10 years.
 Sunningdale store goodwill - carrying amount £252,000; amortisation period remaining is 14 years.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 DECEMBER 2015

14 Tangible fixed assets

Group	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost						
At 29 December 2014	609,290	392,822	5,631,031	158,922	14,175	6,806,240
Additions	-	-	479,313	2,889	160,286	642,488
Disposals	-	-	-	-	(11,143)	(11,143)
At 27 December 2015	609,290	392,822	6,110,344	161,811	163,318	7,437,585
Depreciation and impairment						
At 29 December 2014	-	372,630	3,161,884	63,568	9,396	3,607,478
Depreciation charged in the period	-	11,132	481,195	32,362	40,830	565,519
Eliminated in respect of disposals	-	-	-	-	(8,357)	(8,357)
At 27 December 2015	-	383,762	3,643,079	95,930	41,869	4,164,640
Carrying amount						
At 27 December 2015	609,290	9,060	2,467,265	65,881	121,449	3,272,945
At 28 December 2014	609,290	20,192	2,497,278	67,221	4,778	3,198,759

The company had no tangible fixed assets at 27 December 2015 or 27 December 2014.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

14 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2015 £	2014 £	Company 2015 £	2014 £
Motor vehicles	36,743	-	-	-
Computer equipment	26,427	95,353	-	-
	<u>63,170</u>	<u>95,353</u>	<u>-</u>	<u>-</u>
Depreciation charge for the period in respect of leased assets	<u>25,462</u>	<u>31,785</u>	<u>-</u>	<u>-</u>

15 Fixed asset investments

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Investments in subsidiaries	16	<u>-</u>	<u>-</u>	<u>4,783,893</u>	<u>4,783,893</u>

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

16 Subsidiaries

Details of the company's subsidiaries at 27 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Full House Restaurants Limited	England & Wales	Ordinary	100.00	
House Special Limited	England & Wales	Ordinary	100.00	
The Woodpecker Inn Limited	England & Wales	Ordinary		100.00
Surrey Pizza Limited	England & Wales	Ordinary		100.00
Classic Crust Limited	England & Wales	Ordinary	100.00	
Sherston Limited	England & Wales	Ordinary	100.00	
Dancing Tiger Limited	England & Wales	Ordinary	100.00	
Freshname 845 Limited	England & Wales	Ordinary	100.00	
BN Sandy (Cannock) Limited	England & Wales	Ordinary	100.00	
BN Sandy (Newcastle) Limited	England & Wales	Ordinary	100.00	

17 Financial instruments

	Group 2015 £	2014 £	Company 2015 £	2014 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	33,458	24,685	1,000	686,865
Equity instruments measured at cost less impairment	-	-	4,783,893	4,783,893
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	7,285,206	8,975,732	5,462,893	5,602,354
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The financial assets referred to above are made up entirely of trade debtors (where pizzas are sold on account), unpaid share capital and miscellaneous debtors.

The financial liabilities consist of those balances set out in note 20 and 21 excluding 'corporation tax payable' and 'other taxation and social security'.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

18 Stocks

	Group 2015 £	2014 £	Company 2015 £	2014 £
Raw materials and consumables	130,381	116,904	-	-

19 Debtors

	Group 2015 £	2014 £	Company 2015 £	2014 £
Amounts falling due within one year:				
Trade debtors	23,285	19,829	-	-
Unpaid share capital	2,000	2,000	1,000	1,000
Amounts due from subsidiary undertakings	-	635	-	685,865
Other debtors	15,228	4,234	-	2,013
Prepayments and accrued income	329,653	307,846	-	-
	370,166	334,544	1,000	688,878
Deferred tax asset (note 24)	52,690	74,793	-	3,161
	422,856	409,337	1,000	692,039

20 Creditors: amounts falling due within one year

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Bank loans and overdrafts	22	941,920	909,639	595,541	577,069
Obligations under finance leases	23	12,189	37,171	-	-
Other borrowings	22	358,973	403,613	-	-
Trade creditors		1,108,756	1,625,907	-	-
Amounts due to group undertakings		-	-	1,803,508	1,376,111
Corporation tax payable		713,147	434,077	-	-
Other taxation and social security		1,467,478	1,228,586	1,419,385	-
Other creditors		162,138	156,259	197	100,000
Accruals and deferred income		362,545	337,650	5,000	-
		5,127,146	5,132,902	3,823,631	2,053,180

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

21 Creditors: amounts falling due after more than one year

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Bank loans and overdrafts	22	4,028,988	4,863,186	3,058,647	3,549,174
Obligations under finance leases	23	26,363	8,636	-	-
Other borrowings	22	-	8,600	-	-
Other creditors		283,334	625,071	-	-
		<u>4,338,685</u>	<u>5,505,493</u>	<u>3,058,647</u>	<u>3,549,174</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>(743,585)</u>	<u>(1,354,260)</u>	<u>(589,924)</u>	<u>(1,172,509)</u>
------------------------	------------------	--------------------	------------------	--------------------

22 Loans and overdrafts

	Group 2015 £	2014 £	Company 2015 £	2014 £
Bank loans	4,970,908	5,772,825	3,654,188	4,126,243
Loans from related parties	350,373	344,301	-	-
Other loans	8,600	67,912	-	-
	<u>5,329,881</u>	<u>6,185,038</u>	<u>3,654,188</u>	<u>4,126,243</u>
Payable within one year	1,300,893	1,313,252	595,541	577,069
Payable after one year	<u>4,028,988</u>	<u>4,871,786</u>	<u>3,058,647</u>	<u>3,549,174</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>(743,585)</u>	<u>(1,354,260)</u>	<u>(589,924)</u>	<u>(1,172,509)</u>
------------------------	------------------	--------------------	------------------	--------------------

The long-term loans are primarily secured by fixed and floating charges over all the assets and undertakings of this company including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital.

The bank loans are repayable over terms of 7 and 15 years at a rates of 2.5% and 2.8% per annum over the Bank's Sterling Base Rate.

There is also in place a Composite Company Unlimited Unilateral Guarantee, dated 7 February 2012, given by this company, House Special Limited, The Woodpecker Inn Limited, Classic Crust Limited, Sherston Limited, Full House Restaurants Limited, B N Sandy (Newcastle) Limited, B N Sandy (Cannock) Limited, Dancing Tiger Limited and Freshname 845 Limited.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

23 Finance lease obligations

	Group 2015 £	2014 £	Company 2015 £	2014 £
Future minimum lease payments due under finance leases:				
Within one year	12,189	37,171	-	-
In two to five years	26,363	8,636	-	-
	<u>38,552</u>	<u>45,807</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

24 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £	Assets 2015 £	Assets 2014 £
Group				
Accelerated capital allowances	816,205	515,285	-	-
Tax losses	-	-	52,690	74,793
	<u>816,205</u>	<u>515,285</u>	<u>52,690</u>	<u>74,793</u>

Statutory database figures differ from the trial balance:

Deferred tax balances	516,380	360,114	52,690	74,793
Difference	299,825	155,171	-	-

	Liabilities 2015 £	Liabilities 2014 £	Assets 2015 £	Assets 2014 £
Company				
Tax losses	-	-	-	3,161
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,161</u>

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

24 Deferred taxation

(Continued)

	Group 2015 £	Company 2015 £
Movements in the period:		
Liability/(asset) at 29 December 2014	285,321	(3,161)
Charge to profit or loss	178,369	3,161
Liability at 27 December 2015	<u>463,690</u>	<u>-</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period

25 Retirement benefit schemes

	2015 £	2014 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>37,299</u>	<u>28,807</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

26 Share capital

	Group and company 2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>

The company has one class of ordinary share which have full voting rights and equal rights to dividends.

27 Reserves

Merger reserve

'Other reserves' comprises the merger reserve as provided by FRS 4; the movement on this reserve represents existing balances of share premium that existed in the subsidiaries at the time of the business combination.

28 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the group for certain of its properties, for office and store equipment and for motor vehicles.

Leases on motor vehicles are negotiated for an average term of 2 years and rentals are fixed for this period with an option to extend for additional years at the market rate prior to the end of the agreements.

Equipment leases are negotiated for an average term of 60 months and rentals are fixed for the average term.

Leases on property are negotiated for an average term of 10-15 years. The amount payable is not automatically increased but may be renegotiated.

FULL HOUSE RESTAURANTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2015

28 Operating lease commitments

(Continued)

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2015 £	2014 £	Company 2015 £	2014 £
Within one year	723,760	779,832	54,600	-
Between two and five years	2,271,426	2,529,575	218,400	-
In over five years	1,939,953	2,828,321	245,700	-
	<u>4,935,139</u>	<u>6,137,728</u>	<u>518,700</u>	<u>-</u>

29 Cash generated from group operations

	2015 £	2014 £
Profit for the year after tax	2,025,297	698,239
Adjustments for:		
Taxation charged	809,897	332,677
Finance costs	213,288	121,346
Investment income	(2,049)	(103)
(Gain)/loss on disposal of tangible fixed assets	(2,854)	1,156
Amortisation and impairment of intangible assets	540,883	530,683
Depreciation and impairment of tangible fixed assets	565,519	480,431
Amounts written off investments	-	300
Movements in working capital:		
(Increase) in stocks	(13,477)	(23,885)
(Increase)/decrease in debtors	(30,580)	769,260
(Decrease)/increase in creditors	(594,264)	1,181,530
Cash generated from operations	<u>3,511,660</u>	<u>4,091,634</u>