

Company Registration No. 09295530 (England and Wales)

LIBERTY CHEESESTEAK COMPANY LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019
PAGES FOR FILING WITH REGISTRAR

LIBERTY CHEESESTEAK COMPANY LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 8

LIBERTY CHEESESTEAK COMPANY LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		9,680		12,096
Tangible assets	4		381,380		360,892
			<u>391,060</u>		<u>372,988</u>
Current assets					
Stocks		8,800		3,500	
Debtors	5	240,464		109,999	
Cash at bank and in hand		242,443		259,453	
		<u>491,707</u>		<u>372,952</u>	
Creditors: amounts falling due within one year	6	(307,724)		(126,697)	
Net current assets			<u>183,983</u>		<u>246,255</u>
Total assets less current liabilities			<u>575,043</u>		<u>619,243</u>
Capital and reserves					
Called up share capital	7		129		129
Share premium account			650,881		650,881
Profit and loss reserves			(75,967)		(31,767)
Total equity			<u>575,043</u>		<u>619,243</u>

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

For the financial year ended 30 November 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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

LIBERTY CHEESESTEAK COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 NOVEMBER 2019

The financial statements were approved and signed by the director and authorised for issue on 7 October 2020

J P Teti
Director

Company Registration No. 09295530

LIBERTY CHEESESTEAK COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

Company information

Liberty Cheesesteak Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is 24 Bective Road, London, SW15 2QA.

1.1 Accounting convention

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

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

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

1.2 Going concern

As at the year end the company has net current assets of £183,983 (2018 - £246,255) but made losses of £44,261 (2018 - £12,826) during the year. It also had net assets of £575,043 (2018 - £619,243). The company continues to rely on the support of its shareholders and the director is not aware of any circumstances arising which would lead to their support being withdrawn. The director has also indicated his willingness to continue to support the company for the foreseeable future.

The director has also considered the impact that COVID-19 has had on the company and believes he has taken the necessary steps to mitigate the impact. However, not all future events or conditions can be predicted, therefore this statement is not a guarantee as to the company's ability to continue as a going concern. The director is monitoring the impact of the outbreak on the company's future revenue stream and will take any necessary actions in a timely manner.

As a result of the above the accounts are therefore prepared on a going concern basis.

1.3 Turnover

Turnover represents net sales of food and drink, excluding value added tax and is recognised on a point of sales basis.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 15 years from the year of acquisition in 2014.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 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.

LIBERTY CHEESESTEAK COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

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:

Leasehold land and buildings	- 15 years and 5 years
Plant and equipment	- 20% on cost
Fixtures and fittings	- 20% on cost
Computers	- 33.33% on cost
Motor vehicles	- 20% 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 credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company 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.

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

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

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

1.7 Stocks

Stocks are valued at the lower of cost and net selling price, after making due provision for wastage and slow moving items.

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.

1.8 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.

LIBERTY CHEESESTEAK COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

1.9 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

1.10 Equity instruments

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

1.11 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.

LIBERTY CHEESESTEAK COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

2 Employees

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

	2019 Number	2018 Number
Total	23	14

3 Intangible fixed assets

Goodwill
£

Cost

At 1 December 2018 and 30 November 2019

16,500

Amortisation and impairment

At 1 December 2018

4,404

Amortisation charged for the year

2,416

At 30 November 2019

6,820

Carrying amount

At 30 November 2019

9,680

At 30 November 2018

12,096

LIBERTY CHEESESTEAK COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

4 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 December 2018	271,256	68,222	53,969	-	6,785	400,232
Additions	65,474	22,623	15,380	1,769	-	105,246
Disposals	-	-	-	-	(6,785)	(6,785)
At 30 November 2019	336,730	90,845	69,349	1,769	-	498,693
Depreciation and impairment						
At 1 December 2018	7,592	12,434	15,685	-	3,629	39,340
Depreciation charged in the year	48,488	20,885	11,971	258	1,219	82,821
Eliminated in respect of disposals	-	-	-	-	(4,848)	(4,848)
At 30 November 2019	56,080	33,319	27,656	258	-	117,313
Carrying amount						
At 30 November 2019	280,650	57,526	41,693	1,511	-	381,380
At 30 November 2018	263,664	55,788	38,284	-	3,156	360,892

5 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	-	10,615
Other debtors	240,464	99,384
	240,464	109,999

6 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	131,353	20,491
Taxation and social security	65,612	22,185
Other creditors	110,759	84,021
	307,724	126,697

LIBERTY CHEESESTEAK COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

7 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
12,864 Ordinary shares of 1p each	129	129

8 Operating lease commitments

Lessee

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

	2019	2018
	£	£
	932,500	1,092,500

9 Events after the reporting date

In 2020 the world was shaken with the onset of COVID-19. The director has assessed the operational and financial impact on the company in note 1.2 to the financial statements.

10 Related Party Disclosures

At the year end date there is a balance due to the director £50,489 (2018 - £50,489). This is included within other creditors.

11 Prior period adjustment

In the prior year the share premium account was recorded incorrectly and has been adjusted in these financial statements. The presentational adjustment of £871 increased net assets as at 1 December 2018 by this amount. There was no impact on the 2018 profit and loss account.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.