

Mission Mars Limited

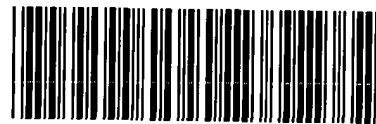
Report and Financial Statements

Year Ended

29 September 2019

Company Number 09392603

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Mission Mars Limited
Report and financial statements
for the year ended 29 September 2019

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Directors

N MacLeod
R E Ellis
M F Woolley
M Davies
N P Inskip

Secretary and registered office

DWF, 1 Scott Place 2 Hardman Street Manchester M3 3AA

Company number

09392603

Auditors

BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT

Mission Mars Limited

Strategic report for the year ended 29 September 2019

The Directors present their Strategic report on the Company for the year ended 29 September 2019.

Principal activities

The principal activity of the group continues to be the operation of hospitality and entertainment venues, through its principal trading subsidiary companies, Zecol Limited, Zecol Thomas Limited, Flying Pig and Lobster and Rudy's Pizza Limited across seven locations in Manchester and four locations in Merseyside and one location in Birmingham.

Review of the business

I am pleased to be able to report on Mission Mars Group full year results for the year ended 29 September 2019.

2019 has been another exciting year for Mission Mars where we welcomed 3 new sites as we embarked on our growth plans presented in 2018.

The Group has maintained the strong senior management team put in place to oversee the planned growth. The team have supported successful site openings whilst also delivering record Revenue, margin and EBITDA across the Group.

As the Group grows, we feel it is important that all Mission Mars colleagues have the opportunity to grow and develop with us. In 2019 we were proud to achieve a 2 star accreditation and ranked 73rd in the Times Top 100 Best Companies to work for. Investing in our colleagues remains at the forefront of our plans going forward.

We were delighted to open our third Rudy's site in Castle St, Liverpool in November 2018 and enjoyed a successful first year at the site. We subsequently opened Rudy's number four in Birmingham in July 2019. We are delighted with the fit out of both sites and look forward to delighting many new customers in the coming years.

In February 2019 we took over the lease of The Hub in Liverpool. We subsequently closed the site for a full refurbishment in June 2019 before reopening as Albert's Schenke, a smaller member of the Albert's family with more of Tavern feel. We are encouraged with the performance to date and are excited at the prospect of growing the Bavarian Bier Halle Brand, namely Albert's.

Financial and KPI performance

FY19 saw the Group achieve record revenues of £34m. Of this total, £26.4m was from LFL sites predominantly driven by +15% growth in Albert Schloss and +19% in Rudy's.

Rudy's contributed £4.7m to the total Group revenue, up from £2.2m in the prior year. This helped to deliver EBITDA of £0.8m before pre-opening costs, up from £0.4m before pre-opening costs in the prior year.

Group Gross Margin increased by 27% on the prior year.

Overall Site EBITDA totalled £4.9m in FY19. This included opening costs totalling £303k relating to 3 site openings. This is predominantly as a result of organic growth in top line revenue driven by new venues and strong LFL performance in our key brands. A strong focus on driving efficiencies has also had a positive impact through margin growth and cost control.

Mission Mars Limited

Strategic report (continued) for the year ended 29 September 2019

	Year ended 29 September 2019 (£'000)	Year ended 30 September 2018 (£'000)
Revenue	34,014	27,177
Gross Margin %	73.9%	74.1%
Site EBITDA	4,891	4,441
Adjusted Group EBITDA*	2,059	1,650
Group Cash	3,672	5,918
No. of colleagues	593	514

*Adjusted for exceptionals including one off site opening costs

Continued site revenue growth is key to the strategy implemented by the board. The three site openings in FY19 performed broadly in line with expectation through the opening periods. We opened one Rudy's site in the prior year in Manchester, the board are encouraged by the growth seen. Over the 7 months of LFL trade Rudy's Peter St delivered growth of 14.8%. This remains consistent with the growth seen in Rudy's Ancoats. Following an impairment review, the board considered the recent trade and the value of goodwill and fixed assets relating to the two sites in Flying Pig and Lobster. The board deemed it suitable to impair the goodwill in full and a large proportion of the fixed assets.

Principle risks and uncertainties

The Board continue to manage the risks of operating in a consumer lead sector by continually evolving the offer to stay ahead of the market. This is achieved by investing in a strong leadership team and ensuring innovation is at the forefront of operations.

The Group operates within the hospitality and entertainment market where sales are derived from consumers disposable incomes. There are general economic and political risks from trading in such a manner. The largest risk and uncertainty surrounding the Group is that of Covid-19. This is discussed wider in the going concern section below.

Going concern

The Directors are required to prepare these financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. In satisfaction of this responsibility, the Directors have considered the Group's ability to meet its liabilities as they fall due for a period of at least twelve months from the signing date of the financial statements.

Due to the current environment arising from the global pandemic, management have made an assessment of the likely impact of Covid-19 on the Group based on the latest available information, Government guidance and recent trading performance. This assessment has looked at the likely duration of the crisis as well as sales that could be expected to be generated during an extended period of restrictions.

Similar to most companies within the hospitality industry, the Group has experienced significant disruption from lockdown restrictions imposed by the government. On 20 March 2020 the Group closed all of its bars, restaurants and live music venues following the government imposed nationwide lockdown restrictions. All venues with the exception of live music venues re-opened on 04 July operating under revised guidelines. On 31 October, the Government announced a further one-month lockdown. All sites will be closed for visiting guests however will operate a takeaway only service wherever possible.

The Government have made it clear that they will do whatever it takes to support the economy and the Group is well placed to take advantage of Government support available as well as implementing the plans put in place by management to ensure the Group can continue in operational existence.

Mission Mars Limited

**Strategic report (continued)
for the year ended 29 September 2019**

Going concern (continued)

The full extent of the duration and consequential impacts of Covid-19 remain unclear. With this in mind the directors have reviewed various forecast sensitivities and their impact on the Group for the period of at least 12 months following the signing of the financial statements. In a worst case scenario of a series of sustained and prolonged North West regional lockdowns or national lockdowns over the next 12 months, there is an increased risk of breaching one of our covenants relating to the group facilities in place. Should such a breach occur under these or similar circumstances, the Directors consider it is highly likely that a waiver of the relevant covenant would be obtained.

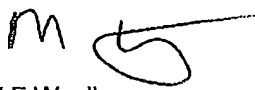
This unlikely, yet not inconceivable sustained lockdown scenario, would however create a material uncertainty for the business in relation to whether the Group would have adequate funding should a covenant breach occur. This could cast a doubt on the Group's ability to continue as a going concern and therefore their ability to realise their assets and liabilities in the normal course of business.

Each scenario modelled assumes no additional support from the Government to that already confirmed.

The above uncertainty arises solely due to the Covid-19 pandemic which is entirely outside of the Group's influence or control. The Directors have a reasonable expectation that the business has sufficient resources to operate for a period of at least 12 months from the date of signing these financial statements and that it is appropriate for the financial statements to be prepared on a going concern basis.

Approval

This Strategic Report was approved on behalf of the Board on **9 November 2020**


M F Woolley
Director

Mission Mars Limited

Directors' report for the year ended 29 September 2019

The directors present their report and the financial statements of the group for the year ended 29 September 2019.

Directors

The directors of the company throughout the year were:

A L Winter (resigned 29 March 2019)
N MacLeod
R E Ellis
M F Woolley
M Davies
N P Inskip

Dividends

Particulars of recommended dividends are detailed in note 10 to the financial statements.

Employment of disabled persons

We are an equal opportunities employer and ensure a consistent approach to recruitment and all areas of employment policies across all our entities. These policies apply to all directors and employees, sites and operations, and it is the responsibility of the Board and senior management team to ensure compliance. We are committed to ensuring we provide full and fair consideration for job applications from people with disabilities, as well as supporting any of our people who become disabled while working for Mission Mars. We have a duty of care to make adjustments to roles and responsibilities which will allow a disabled person to work or continue working. For example, we adapt the working environment where we can and offer flexible working practices and appropriate training to take into account their personal circumstances. We are committed to ensuring that all candidates for recruitment and employees are treated fairly throughout the employee lifecycle including opportunities for training, promotion and career development.

Our people

The focus on our employees has always been at the core of our everyday operations. We have seen record rates of completion and record results from the tri-annual Quality of Life survey.

We recognise that colleague engagement and wellbeing is fundamental to the future of the business. The continued focus on delivering a world class team has seen the introduction of a number of additional courses led by both internal and external experts. Further to this, the introduction of Flow has allowed every colleague to have remote access to all the relevant training modules. Continuous monitoring and encouragement has seen completion levels higher than ever before. We continue to look at new and innovative way to train our colleagues and further improve colleague engagement.

Throughout the year we have enjoyed some amazing companywide events including our summer Fete, Meet the Maker event and Annual Awards evening.

Mission Mars Limited

Directors' report for the year ended 29 September 2019 (*continued*)

Events after the end of the reporting period

Following a review of strategic operations, the Board made a decision to dispose of non-core operations.

On January 06 2020, the Group completed the sale of The Viking site and all of its assets for a total consideration of £100,000.

On February 17 2020, the Group completed the sale of The Elephant and Liberty Tavern sites and all of its assets for a total of £250,000 consideration. The combined loss on disposal totalled £1.8m

The World Health Organisation classed Covid-19 as a pandemic on 11 March 2020. The worldwide pandemic has affected companies and countries across the globe. The impact on the Group and the mitigation strategies employed by the directors is discussed in the strategic report and in the going concern assessment in the accounting policies. This is a non-adjusting post balance sheet event for the Group.


Auditors

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

TLP Consulting Limited resigned as auditors of the Group and Company during the year and BDO LLP were appointed as auditors of the Group and company by the directors. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

Approval

This Directors' Report was approved on behalf of the Board on **9 November 2020**


M F Woolley
Director

Mission Mars Limited

Directors' responsibilities statement for the year ended 29 September 2019

Company law requires the directors to prepare financial statements for each financial period. 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 the company and 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 judgments and accounting estimates that are reasonable and prudent; 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Mission Mars Limited

Independent auditor's report to the members

Opinion

We have audited the financial statements of Mission Mars Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 29 September 2019 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company statement of financial position, the company statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 29 September 2019 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which indicates the Directors considerations over going concern, including the potential impacts of the Covid-19 pandemic and that there is an increased risk of a breach of one of the Company's facility covenants which would result in the facility being repayable on demand. This could result in the Group not having adequate funding. As stated in note 1, these events or conditions, along with other matters as set out in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Mission Mars Limited

Independent auditor's report to the members (*continued*)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Mission Mars Limited

Independent auditor's report to the members (*continued*)

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Steven Roberts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK

9 November 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Mission Mars Limited

Consolidated statement of comprehensive income for the year ended 29 September 2019

		Year ended 29 September 2019 £	Period 25 September 2017 to 30 September 2018 £
	Note		
Turnover	3	34,014,002	27,176,920
Cost of sales		(8,870,135)	(7,386,021)
Gross profit		25,143,867	19,790,899
Distribution costs		-	6,501
Administrative expenses		(25,806,537)	(19,619,858)
Operating profit	4	(662,670)	164,540
Other interest receivable and similar income	7	-	153
Interest payable and similar expenses	8	(402,854)	(271,065)
Loss before taxation		(1,065,524)	(106,372)
Tax on loss	9	(74,922)	(96,592)
Loss for the financial year and total comprehensive income for the year attributable to equity holders of the company		(1,140,446)	(202,964)

All the activities of the group are from continuing operations.
The notes on pages 16 to 33 form part of these financial statements.

Mission Mars Limited

Consolidated statement of financial position at 29 September 2019

Company number 09392603	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	11		774,845		1,673,769
Tangible assets	12		8,755,232		7,456,646
			<hr/>		<hr/>
			9,530,077		9,130,415
Current assets					
Stocks	14	301,154		238,509	
Debtors	15	1,183,572		798,290	
Cash at bank and in hand		3,672,214		5,918,192	
		<hr/>		<hr/>	
		5,156,940		6,954,991	
Creditors: amounts falling due within one year	16	(5,583,648)		(4,138,748)	
		<hr/>		<hr/>	
Net current (liabilities)/assets			(426,708)		2,816,243
Total assets less current liabilities			<hr/>		<hr/>
			9,103,369		11,946,658
Creditors: amounts falling due after more than one year	17		(3,669,424)		(5,425,560)
Provisions					
Taxation including deferred tax	20		(266,068)		(212,775)
			<hr/>		<hr/>
Net assets			5,167,877		6,308,323
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	23		312		312
Share premium account	24		6,747,725		6,747,725
Profit and loss account	24		(1,580,160)		(439,715)
			<hr/>		<hr/>
Equity attributable to the owners of the parent company			5,167,877		6,308,323
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 9 November 2020


M F Woolley
Director

The notes on pages 16 to 33 form part of these financial statements.

Mission Mars Limited

Consolidated statement of changes in equity for the year ended 29 September 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non- controlling interests £	Total equity £
At 24 September 2017	200	999,800	(186,750)	813,250	66,129	879,379
Loss for the period	-	-	(202,964)	(202,964)	-	(202,964)
Total comprehensive income for the period	-	-	(202,964)	(202,964)	-	(202,964)
Issue of shares	112	5,747,925	-	5,748,037	-	5,748,037
Dividends paid and payable (note 10)	-	-	(50,000)	(50,000)	-	(50,000)
Acquisition of subsidiary with minority interest	-	-	-	-	(66,129)	(66,129)
Total investments by and distributions to owners	112	5,747,925	(50,000)	5,698,037	(66,129)	5,631,908
At 30 September 2018	312	6,747,725	(439,714)	6,308,323	-	6,308,323
Loss for the year	-	-	(1,140,446)	(1,140,446)	-	(1,140,446)
Total comprehensive income for the year	-	-	(1,140,446)	(1,140,446)	-	(1,140,446)
At 29 September 2019	312	6,747,725	(1,580,160)	5,167,877	-	5,167,877

The notes on pages 16 to 33 form part of these financial statements.

Mission Mars Limited

Consolidated statement of cash flows for the year ended 29 September 2019

	Year ended 29 September 2019 £	Period 25 September 2017 to 30 September 2018 £
Cash flows from operating activities		
Loss for the financial year	(1,140,446)	(202,964)
Adjustments for:		
Depreciation of tangible assets	601,060	446,413
Impairment of tangible assets	759,111	-
Amortisation of intangible assets	189,585	178,581
Impairment of intangible assets	709,339	-
Other interest receivable and similar income	-	(153)
Interest payable and similar expenses	402,854	271,065
Tax on loss	74,992	96,592
Changes in:		
Stocks	(62,644)	(99,246)
Trade and other debtors	(385,282)	(196,257)
Trade and other creditors	1,528,218	1,059,420
Cash generated from operations	2,676,787	1,553,451
Interest paid	(402,854)	(271,065)
Interest received	-	153
Tax (paid)	(52,641)	(2,981)
Net cash from operating activities	2,221,292	1,279,558
Cash flows from investing activities		
Purchase of tangible assets	(2,658,757)	(3,352,140)
Proceeds from sale of tangible assets	-	2,000
Purchase of intangible assets	-	(1,103,117)
Net cash used in investing activities	(2,658,757)	(4,453,257)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	5,748,037
Proceeds from borrowings	-	2,931,074
Repayment of loans	(1,808,513)	-
Payments of finance lease liabilities	-	(6,624)
Net cash from financing activities	(1,808,513)	8,672,487
Net (decrease)/increase in cash and cash equivalents	(2,245,978)	5,498,788
Cash and cash equivalents at beginning of year	5,918,192	419,404
Cash and cash equivalents at end of year	3,672,214	5,918,192

The notes on pages 16 to 33 form part of these financial statements.


Mission Mars Limited

Company statement of financial position at 29 September 2019

Company number 09392603	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	12		582,062		587,266
Investments	13		939,935		1,589,934
			<hr/>		<hr/>
			1,521,997		2,177,200
Current assets					
Debtors	15	5,770,959		6,699,520	
Cash at bank and in hand		2,151,789		3,647,214	
		<hr/>		<hr/>	
		7,922,748		10,346,734	
Creditors: amounts falling due within one year	16	(1,558,205)		(494,550)	
		<hr/>		<hr/>	
Net current assets			6,364,543		9,852,184
Total assets less current liabilities			<hr/>		<hr/>
			7,886,541		12,029,384
Creditors: amounts falling due after more than one year	17		(3,669,424)		(4,825,560)
Provisions					
Taxation including deferred tax	20		(39,734)		(44,407)
			<hr/>		<hr/>
Net assets			4,256,851		7,248,231
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	23		312		312
Share premium account	24		6,747,725		6,747,725
Profit and loss account	24		(2,491,186)		500,194
			<hr/>		<hr/>
Shareholders' funds			4,256,851		7,248,231
			<hr/>		<hr/>

The loss for the financial period of the parent company was £2,991,380 (2018 – profit of £379,377).

The financial statements were approved by the Board of Directors and authorised for issue on **9 November 2020**


M F Woodley
Director

The notes on pages 16 to 33 form part of these financial statements.

Mission Mars Limited

Company statement of changes in equity for the year ended 29 September 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 24 September 2017	200	999,800	170,817	1,170,817
Profit for the period	-	-	379,377	379,377
Total comprehensive income for the period	-	-	379,377	379,377
Issue of shares	112	5,747,925	-	5,748,037
Dividends paid and payable (note 10)	-	-	(50,000)	(50,000)
Total investments by and distributions to owners	112	5,747,925	(50,000)	5,698,037
At 30 September 2018	312	6,747,725	500,194	7,248,231
Loss for the year	-	-	(2,991,380)	(2,991,380)
Total comprehensive income for the year	-	-	(2,991,380)	(2,991,380)
At 29 September 2019	312	6,747,725	(2,491,186)	4,256,851

The notes on pages 16 to 33 form part of these financial statements.

Mission Mars Limited

Notes forming part of the financial statements for the year ended 29 September 2019

1 Accounting policies

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the directors' report.

Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The Directors are required to prepare these financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business. In satisfaction of this responsibility, the Directors have considered the Group and Company's ability to meet its liabilities as they fall due for a period of at least twelve months from the signing date of the financial statements. During the year, the Company maintained its strategic role as a cost bearing holding company. As such, it is therefore reliant on the Group for its working capital and its going concern has been assessed as part of the Group's going concern assessment.

Due to the current environment arising from the global pandemic, management have made an assessment of the likely impact of Covid-19 on the Group and Company based on the latest available information, Government guidance and recent trading performance. This assessment has looked at the likely duration of the crisis as well as sales that could be expected to be generated during an extended period of restrictions.

Similar to most companies within the hospitality industry, the Group has experienced significant disruption from lockdown restrictions imposed by the government. On 20 March 2020 the Group closed all of its bars, restaurants and live music venues following the government imposed nationwide lockdown restrictions. All venues with the exception of live music venues re-opened on 04 July operating under revised guidelines. On 31 October, the Government announced a further one-month lockdown. All sites will be closed for visiting guests however will operate a takeaway only service wherever possible.

The Government have made it clear that they will do whatever it takes to support the economy and the Group is well placed to take further advantage of Government support available as well as implementing the plans put in place by management to ensure the Group can continue in operational existence.

The full extent of the duration and consequential impacts of Covid-19 remain unclear. With this in mind the directors have reviewed various forecast sensitivities and their impact on the Mission Mars Group for the period of at least 12 months following the signing of the financial statements. In a worst case scenario of a series of sustained and prolonged North West regional lockdowns or national lockdowns over the next 12 months, there is an increased risk of breaching one of our covenants relating to the group facilities in place, which would result in the facility being repayable on demand. Should such a breach occur under these or similar circumstances, the Directors consider it is highly likely that a waiver of the relevant covenant would be obtained.

This unlikely, yet not inconceivable sustained lockdown scenario could result in the Mission Mars Group not having adequate funding should a covenant breach occur. As a result thereof, a material uncertainty exists which may cast significant doubt on the Group's and the Company's ability to continue as a going concern and therefore their ability to realise their assets and discharge their liabilities in the normal course of business. The financial statements do not include the adjustments that would be necessary should the going concern basis of preparation no longer be appropriate.

Each scenario modelled assumes no additional support from the Government to that already confirmed.

Mission Mars Limited

Notes forming part of the financial statements for the year ended 29 September 2019

1 Accounting policies (continued)

Going concern (continued)

The above uncertainty arises solely due to the Covid-19 pandemic which is entirely outside of the Group and Company's influence or control. The Directors have a reasonable expectation that the business has sufficient resources to operate for a period of at least 12 months from the date of signing these financial statements and that it is appropriate for the financial statements to be prepared on a going concern basis.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel of the company as their remuneration is included in the consolidated accounts..

Consolidation

The financial statements consolidate the financial statements of Mission Mars Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Mission Mars Limited

Notes forming part of the financial statements for the year ended 29 September 2019 (*continued*)

1 Accounting policies (*continued*)

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer and the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Mission Mars Limited

Notes forming part of the financial statements for the year ended 29 September 2019 (continued)

1 Accounting policies (continued)

Tangible assets (continued)

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	- 4% straight line
Plant and machinery	- 10% reducing balance
Fixtures, fittings and equipment	- 10% reducing balance
Motor vehicles	- 25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Mission Mars Limited

Notes forming part of the financial statements for the year ended 29 September 2019 (*continued*)

1 Accounting policies (*continued*)

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Mission Mars Limited

Notes forming part of the financial statements for the year ended 29 September 2019 (*continued*)

1 Accounting policies (*continued*)

Financial instruments (continued)

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the year in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the year in which it arises.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Mission Mars Limited

Notes forming part of the financial statements
for the year ended 29 September 2019 (continued)

3 Turnover

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom

4 Operating profit

	Year ended 29 September 2019 £	Period 25 September 2017 to 30 September 2018 £
This is arrived at after charging:		
Amortisation of intangible assets	189,585	178,581
Depreciation of tangible assets	601,060	446,413
Impairment of tangible assets	759,110	-
Impairment of trade debtors	-	38,399
Impairment of goodwill	709,339	-
Operating lease charges	1,213,795	960,791
Auditor's remuneration:		
- Audit of the parent company and consolidated financial statements	5,000	39,775
- Audit of subsidiary companies	22,000	7,005
- Other services including taxation	8,000	1,150
	<hr/>	<hr/>

5 Employees

	Year ended 29 September 2019 £	Period 25 September 2017 to 30 September 2018 £
Staff costs (including directors) consist of:		
Wages and salaries	10,476,803	8,050,344
Social security costs	779,624	417,056
Other pension costs	137,276	44,563
	<hr/>	<hr/>
	11,393,703	8,511,964
	<hr/>	<hr/>

The average number of employees (including directors) during the year was as follows:

	Year ended 29 September 2019 Number	Period 25 September 2017 to 30 September 2018 Number
Administrative staff	504	454
Management staff	89	60
	<hr/>	<hr/>
	593	514
	<hr/>	<hr/>

Mission Mars Limited

Notes forming part of the financial statements for the year ended 29 September 2019 (continued)

6 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Year ended 29 September 2019 £	Period 25 September 2017 to 30 September 2018 £
Directors emoluments	357,260	185,517
Company contributions to defined contribution pension schemes	3,232	-
	<u>360,492</u>	<u>185,517</u>

During the year retirement benefits were accruing to 4 directors (2018 – nil) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £120,160 (2018 - £180,000). Company pension contributions of £1,061 (2018 – nil) were made on his behalf.

7 Other interest received and similar income

	Year ended 29 September 2019 £	Period 25 September 2017 to 30 September 2018 £
Interest on cash and cash equivalents	-	153
	<u>-</u>	<u>153</u>

8 Interest payable and similar expenses

	Year ended 29 September 2019 £	Period 25 September 2017 to 30 September 2018 £
Interest on banks loans and overdrafts	155,653	96,888
Interest on obligations under finance leases and hire purchase contracts	-	934
Other interest payable and similar charges	246,630	173,243
	<u>402,283</u>	<u>271,065</u>

Mission Mars Limited

Notes forming part of the financial statements
for the year ended 29 September 2019 (continued)

9 Tax on loss

	Year ended 29 September 2019 £	Period 25 September 2017 to 30 September 2018 £
<i>Current tax:</i>		
UK current tax expense	26,769	48,038
Adjustments in respect of prior periods	(5,070)	(689)
	<hr/>	<hr/>
Total current tax	21,699	47,349
	<hr/>	<hr/>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	53,293	49,243
	<hr/>	<hr/>
Tax on loss	74,922	96,592
	<hr/>	<hr/>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018- lower than) the standard rate of corporation tax in the UK of 19% (2018- 19%). The differences are explained below:

	Year ended 29 September 2019 £	Period 25 September 2017 to 30 September 2018 £
Loss on ordinary activities before tax	(1,038,898)	(106,372)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018- 19%)	(197,391)	(20,211)
	<hr/>	<hr/>
Effects of:		
Fixed asset timing differences	130,152	25,438
Expenses not deductible for tax purposes	179,472	98,600
Adjustment in respect of prior periods	(12,750)	(689)
Adjust closing deferred tax to average rate	(30,610)	(6,546)
Adjust opening deferred tax to average rate	1,174	-
Deferred tax not recognised	4,765	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	74,992	96,592
	<hr/>	<hr/>

The UK corporation tax rate reduced to 19% from April 2018. The government announced a further reduction in the main rate of UK corporation tax to 17% from 1 April 2020.

Mission Mars Limited

Notes forming part of the financial statements for the year ended 29 September 2019 (continued)

9 Tax on loss (continued)

Where these reduced tax rates were enacted at the balance sheet date, they have been reflected in these financial statements as appropriate.

The UK government passed a Budget Resolution on 17 March 2020 to retain the 19% corporation tax rate from 1 April 2020. Since this had not been enacted at the balance sheet date, the unwinding of deferred tax temporary timing differences has been calculated based on 17%.

10 Dividends

	Year ended 29 September 2019 £	Period 25 September 2017 to 30 September 2018 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior period)	-	50,000

11 Intangible assets

Group	Goodwill £
<i>Cost</i>	
At 1 October 2018 and 29 September 2019	2,006,751
<i>Amortisation</i>	
At 1 October 2018	332,982
Charge for the period	189,585
Impairment charge	709,339
At 29 September 2019	1,231,906
<i>Carrying amount</i>	
At 29 September 2019	774,845
At 30 September 2018	1,673,769

The company has no intangible assets.

Goodwill brought forward from prior years arose from the acquisition of Zecol Limited, Zecol Thomas Limited, Flying Pig and Lobster Limited and Rudy's Pizza Limited.

An impairment charge of £709,339 was recognised during the year (2018: £nil). This was in relation to Flying Pig and Lobster Limited, the carrying value of which is now £nil. The impairment reflected the challenging trading conditions faced by the business and the decision to sell the trade and assets (at a loss) subsequent to the year end.

Mission Mars Limited

Notes forming part of the financial statements
for the year ended 29 September 2019 (continued)

12 Tangible assets

Group	Land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<i>Cost</i>					
At 1 October 18	5,826,663	1,220,352	1,489,881	8,731	8,545,627
Additions	1,792,719	86,248	779,790	-	2,658,757
At 29 September 19	7,619,382	1,306,600	2,269,671	8,731	11,204,384
<i>Depreciation</i>					
At 1 October 18	518,054	312,435	254,619	3,873	1,088,981
Charge for year	277,754	85,079	237,013	1,215	601,060
Impairment	756,774	328	2,008	-	759,110
At 29 September 19	1,552,582	397,842	493,640	5,088	2,449,151
<i>Carrying amount</i>					
At 29 September 19	6,066,800	908,759	1,776,031	3,643	8,755,233
At 30 September 18	5,308,609	907,917	1,235,262	4,858	7,456,646

Company	Freehold property £	Fixtures and fittings £	Equipment £	Total £
<i>Cost</i>				
At 1 October 2018	591,416	3,413	67,566	662,395
Additions	3,183	1,835	20,073	25,090
At 29 September 2019	594,598	5,248	87,639	687,484
<i>Depreciation</i>				
At 1 October 2018	70,766	100	4,263	75,129
Charge for the year	23,716	525	6,052	30,293
At 29 September 2019	94,482	625	10,315	105,422
<i>Carrying amount</i>				
At 29 September 2019	500,116	4,623	77,323	582,062
At 30 September 2018	520,650	3,313	63,303	587,266

Mission Mars Limited

Notes forming part of the financial statements
for the year ended 29 September 2019 (*continued*)

13 Investments

The group has no investments.

Company	Shares in group undertakings £
<i>Cost</i>	
At 1 October 2018 and 29 September 2019	1,589,934
<i>Impairment</i>	
At 1 October 2018	-
Impairment charge	650,000
At 29 September 2019	650,000
<i>Carrying amount</i>	
At 29 September 2019	939,935
At 30 September 2018	1,589,934

An impairment charge of £650,000 was recognised during the year (2018: £nil). This was in relation to Flying Pig and Lobster Limited, the carrying value of which is now £nil. The impairment reflected the challenging trading conditions faced by the business and the decision to sell the trade and assets (at a loss) subsequent to the year end.

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Class of share	Percentage of shares held
Zecol Limited	Ordinary	100
Zecol Thomas Limited	Ordinary	100
Mission Mars People Limited	Ordinary	100
MM (Rudys) Limited	Ordinary	100
Rudy's Pizza Limited	Ordinary	100
Flying Pig and Lobster Limited	Ordinary	100
Dovestar Trading Limited	Ordinary	100

The registered address of all the above subsidiaries is the same as the Company's registered address.

14 Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials and consumables	301,154	238,509	-	-

Stock recognised in cost of sales during the year as an expense was £8,870,158 (2018 - £7,386,021)

There is no material differences between the replacement and cost of stocks and the amount stated above.

Mission Mars Limited

Notes forming part of the financial statements
for the year ended 29 September 2019 (continued)

15 Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	304,234	248,373	5,486	18,005
Amounts owed by group undertakings	-	-	5,695,173	6,578,354
Called up share capital not paid	-	1	-	-
Prepayments and accrued income	786,696	544,463	37,896	43,733
Other debtors	92,642	4,453	32,403	59,428
	<u>1,183,572</u>	<u>798,290</u>	<u>5,770,959</u>	<u>6,699,520</u>

Amounts owed by group undertakings are due on demand and interest free.

16 Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans (secured)	66,668	119,045	66,668	119,045
Trade creditors	2,417,079	1,285,213	89,942	266,400
Amounts owed to group undertakings	-	-	1,315,601	-
Accruals and deferred income	1,744,602	1,536,232	84,955	73,557
Corporation tax	26,770	57,711	-	-
Social security and other taxes	1,191,562	971,793	-	-
Other creditors	136,970	168,754	1,039	35,548
	<u>5,583,648</u>	<u>4,138,748</u>	<u>1,558,205</u>	<u>494,550</u>

17 Creditors: amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans (secured)	669,424	2,425,560	669,424	2,825,560
Loan notes (unsecured)	3,000,000	3,000,000	3,000,000	3,000,000
	<u>3,669,424</u>	<u>5,425,560</u>	<u>3,669,424</u>	<u>4,825,560</u>

Mission Mars Limited

Notes forming part of the financial statements
for the year ended 29 September 2019 (continued)

18 Loans

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due within one year				
Bank loans	66,668	119,045	66,668	119,045
Amounts falling due within 2-5 years				
Bank loans	669,424	2,425,560	669,424	1,825,560
Loan notes	500,000	-	500,000	-
Amounts falling due after more than 5 years				
Bank loans	-	-	-	-
Loan Notes	2,500,000	3,000,000	2,500,000	3,000,000
	<u>3,736,092</u>	<u>5,544,605</u>	<u>3,736,092</u>	<u>4,944,605</u>

	2019 £	2018 £
£1,000,000 (2018: £2,600,000) term loan	736,092	2,544,605
3,000,000 loan notes	3,000,000	3,000,000
	<u>3,736,092</u>	<u>5,544,605</u>

The loan notes are redeemable on the earlier of sale, disposal or floatation of the business or in tranches commencing 31 May 2024 with a final redemption date of 30 November 2026. The loan notes bear interest at 8% which is paid annually.

The bank loan is secured by way of debenture over all property, book debts, all present and future goodwill and uncalled capital of the company. The facility is repayable in quarterly instalments. Interest payments at LIBOR plus 3% per annum on the principal commenced from date of withdrawal.

Mission Mars Limited

Notes forming part of the financial statements
for the year ended 29 September 2019 (continued)

19 Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	4,069,090	6,172,018	7,852,448	10,303,001
Financial liabilities				
Financial liabilities measured at amortised cost	7,893,587	8,365,938	5,227,629	5,916,435

Financial assets that are debt instruments measured at amortised cost comprises cash, trade and other debtors and amounts owed by group undertakings

Financial liabilities measured at amortised cost comprises accruals, trade and other creditors, bank loans loan notes and amounts owed to group undertakings.

20 Provisions

	Deferred tax (note 20) £
Group	
At 1 October 2018	212,775
Charged to the profit or loss	53,293
At 29 September 2019	266,068
Company	
At 1 October 2018	(44,407)
Charged to the profit or loss	4,673
At 29 September 2019	(39,734)

Mission Mars Limited

Notes forming part of the financial statements
for the year ended 29 September 2019 (continued)

20 Provisions (continued)

The deferred tax included in the statement of financial position is as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Included in provisions (note 19)	266,068	212,775	(39,734)	(44,407)

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	266,068	212,775	(39,734)	212,775

21 Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £137,276 (2018 - £44,564).

23 Share capital

	2019 Number	2019 £	2018 Number	2018 £
<i>Issued, called up and fully paid</i>				
Ordinary A shares of £0.0001 each	1,965,048	197	1,965,048	197
Ordinary B shares of £0.0001 each	808,206	80	808,206	80
Ordinary C shares of £0.0001 each	341,690	34	341,690	34
	3,114,944	312	3,114,944	312

The holders of B Ordinary Shares are entitled to receive, in priority to the holders of A Ordinary Shares, the long term dividend. A and B Ordinary Shares are each entitled to one vote per share, subject to a cap that the total B Ordinary Shares cannot exceed more than 40% of voting rights.

Type C shares have no voting rights. They are growth shares with a hurdle of £27.5 million to be achieved before dividends are paid.

Mission Mars Limited

Notes forming part of the financial statements
for the year ended 29 September 2019 (continued)

24 Reserves

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This reserve records retained earnings and accumulated losses.

25 Commitments under operating leases

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	1,054,993	67,337	39,310	-
Later than 1 year and not later than 5 years	3,872,031	636,972	-	9,759
Later than 5 years	7,756,129	8,220,309	-	-
	<u>12,683,153</u>	<u>8,924,618</u>	<u>39,310</u>	<u>9,759</u>

26 Related party transactions

The Group has taken advantage of the exemption under the terms of paragraph 33.1A of FRS 102 from disclosing related-party transactions with entities that are part of the Mission Mars Limited Group.

At 30 September 2019, the Group owed £2,914,286 to BGF Group and £85,714 to M Davies. These balances are included within loan notes in notes 15 and 16. Interest was incurred of £237,920 and £8,510 respectively in relation to these loan notes which was paid in the period.

Key management personnel includes only directors as there are no other members of senior management having authority and responsibility. Please refer to note 6 for any compensation paid or payable to key management for employee services.

Mission Mars Limited

Notes forming part of the financial statements for the year ended 29 September 2019 (continued)

27 Net debt reconciliation

	1 October 2018 £	Cash flows £	Other non- cash changes £	29 September 2019 £
Cash at bank and in hand	5,918,192	(2,245,978)	-	3,672,192
Bank loans	2,544,605	(1,808,513)	-	736,092
Loan notes	3,000,000	-	-	3,000,000
	<hr/>	<hr/>	<hr/>	<hr/>
Net debt	373,587	(434,465)	-	(63,878)
	<hr/>	<hr/>	<hr/>	<hr/>

There are no restrictions over the use of the cash and cash equivalents which comprises cash at bank and in hand.

28 Controlling party

Mission Mars Limited is the parent undertaking of the smallest and largest Group of undertakings to consolidate these financial statements.

The directors do not consider there to be one overall controlling party.

29 Post balance sheet events

Since the reporting date the worldwide coronavirus pandemic has affected companies and countries across the globe. The impact on the company and the mitigation strategies employed by the directors is discussed in the director's report and in the going concern assessment in the accounting policies. This is a none adjusting post balance sheet event for the company.

On January 06 2020, the Group completed the sale of The Viking site and all of its assets for a total consideration of £100,000, generating a loss on disposal of £984k.

On February 17 2020, the Group completed the sale of The Elephant and Liberty Tavern sites and all of its assets for a total of £250,000 consideration, generating a loss on disposal of £824k.