

COMPANY REGISTRATION NUMBER: 09392603

Mission Mars Limited
Financial Statements
24 September 2017



TLP CONSULTING LIMITED
Chartered accountant & statutory auditor
3 Greengate
Cardale Park
Harrogate
HG3 1GY

Mission Mars Limited

Financial Statements

Period from 26 September 2016 to 24 September 2017

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Mission Mars Limited

Strategic Report

Period from 26 September 2016 to 24 September 2017

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, and Rudy's Pizza Limited across seven locations in Manchester.

The reported key performance indicators of the group are as follows:

	2017	2016
Cash at bank	419,904	164,093
Profit before tax	388,464	73,953
Number of staff	395	228

Review of the business

In April 2017, the group further acquired a majority stake in MM (Rudys) Limited. Consolidated Group turnover for the year was £17,728,692 (prior period: £14,539,162). The group reported a profit before tax of £388,464 (prior period: £73,593).

The group results are stated after a charge for amortisation of goodwill of £83,549 (prior period: £70,852) and depreciation of £287,919 (prior period: £281,933). The increase in profitability was attributable to trading at Albert's Schloss and Albert Hall alongside the addition of MM Rudy's Limited into the group.


The group's cash position ended the year £255,311 higher than the prior year. The increase was largely attributable to stronger trading.

Further growth is anticipated in the coming year as the board prioritise to seek investments in quality hospitality businesses and to develop the businesses currently within the group to optimise their financial performance.

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.

This report was approved by the board of directors on 26 June 2018 and signed on behalf of the board by:



Mr R E Ellis
Director

Registered office:
2 Atherton Street
Manchester
M3 3GS

Mission Mars Limited

Directors' Report

Period from 26 September 2016 to 24 September 2017

The directors present their report and the financial statements of the group for the period ended 24 September 2017.

Directors

The directors who served the company during the period were as follows:

Mr J D Wilkinson	
Mrs A L Winter	
Mr N MacLeod	(Appointed 21 November 2016)
Mr R E Ellis	(Appointed 21 November 2016)
Mrs C Kemp	(Appointed 5 June 2017)
Mr S D Mullen	(Retired 12 June 2017)

Dividends

Particulars of recommended dividends are detailed in note 12 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.

Employee involvement

Engagement is at the core of our everyday operations. In FY17, our triannual Quality of Life Survey gained record rates of completion as we strive to gain insight on the key areas of the business. Mission Mars recognises that employee engagement and wellbeing is fundamental to the continued growth of the business. Increased focus on this area has been evident in the year following the appointment of a full time Head of People and Culture.

We are pleased to have record levels of completion of our Dream, Mission, Values training, further enhancing our levels of communication with all employees. In addition to this, our weekly newsletter increases levels of newsflow to all staff whilst biannual conferences for all tiers of management gives a great platform for feedback and insight. We continue to look at new and innovative ways to further improve engagement levels and are encouraged by the progress made in the last 12 months. .

Events after the end of the reporting period

In January 2018 the group acquired the entire issued share capital of Flying Pig and Lobster Limited.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Mission Mars Limited

Directors' Report *(continued)*

Period from 26 September 2016 to 24 September 2017

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;
- 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.

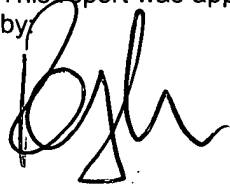
Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 26 June 2018 and signed on behalf of the board by



Mr R E Ellis
Director

Registered office:
2 Atherton Street
Manchester
M3 3GS

Mission Mars Limited

Independent Auditor's Report to the Members of Mission Mars Limited

Period from 26 September 2016 to 24 September 2017

Opinion

We have audited the financial statements of Mission Mars Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 24 September 2017 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

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 24 September 2017 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Mission Mars Limited

Independent Auditor's Report to the Members of Mission Mars Limited (continued)

Period from 26 September 2016 to 24 September 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 or the 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.

Mission Mars Limited

Independent Auditor's Report to the Members of Mission Mars Limited (continued)

Period from 26 September 2016 to 24 September 2017

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Mission Mars Limited

Independent Auditor's Report to the Members of Mission Mars Limited *(continued)*

Period from 26 September 2016 to 24 September 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ANDREW WILD FCA (Senior Statutory Auditor)

For and on behalf of
TLP Consulting Limited
Chartered accountant & statutory auditor

3 Greengate
Cardale Park
Harrogate
HG3 1GY

26 June 2018

Mission Mars Limited

Consolidated Statement of Comprehensive Income

Period from 26 September 2016 to 24 September 2017

		Period from 26 Sep 16 to 24 Sep 17 £	Period from 1 Oct 15 to 25 Sep 16 £
Turnover	Note 4	17,728,692	14,539,162
Cost of sales		4,547,951	4,117,796
Gross profit		13,180,741	10,421,366
Distribution costs		425	150
Administrative expenses		12,697,436	10,270,373
Other operating income	5	34,085	66,667
Operating profit	6	516,965	217,510
Other interest receivable and similar income	9	130	(12,439)
Interest payable and similar expenses	10	128,631	131,478
Profit before taxation		388,464	73,593
Tax on profit	11	93,925	—
Profit for the financial period and total comprehensive income		294,539	73,593
Profit for the financial period attributable to:			
The owners of the parent company		241,460	73,593
Non-controlling interests		53,079	—
		294,539	73,593

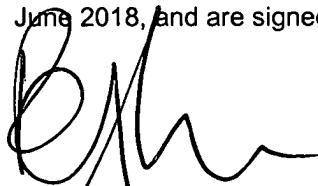
All the activities of the group are from continuing operations.

The notes on pages 14 to 25 form part of these financial statements.

Mission Mars Limited
Consolidated Statement of Financial Position
24 September 2017

	Note	24 Sep 17 £	25 Sep 16 £
Fixed assets			
Intangible assets	13	808,065	637,663
Tangible assets	14	<u>4,552,919</u>	<u>4,491,554</u>
		5,360,984	5,129,217
Current assets			
Stocks	16	139,263	160,547
Debtors	17	602,033	548,467
Cash at bank and in hand		<u>419,404</u>	<u>164,093</u>
		1,160,700	873,107
Creditors: amounts falling due within one year	18	<u>3,549,917</u>	<u>2,896,018</u>
Net current liabilities		2,389,217	2,022,911
Total assets less current liabilities		2,971,767	3,106,306
Creditors: amounts falling due after more than one year	19	1,936,153	2,478,299
Provisions			
Taxation including deferred tax	21	<u>156,235</u>	<u>56,217</u>
Net assets		<u>879,379</u>	<u>571,790</u>
Capital and reserves			
Called up share capital	24	200	200
Share premium account	25	999,800	999,800
Profit and loss account	25	<u>(186,750)</u>	<u>(428,210)</u>
Equity attributable to the owners of the parent company		813,250	571,790
Non-controlling interests		<u>66,129</u>	<u>—</u>
		<u>879,379</u>	<u>571,790</u>

These financial statements were approved by the board of directors and authorised for issue on 26 June 2018, and are signed on behalf of the board by:



Mr R.E. Ellis
Director

Company registration number: 09392603

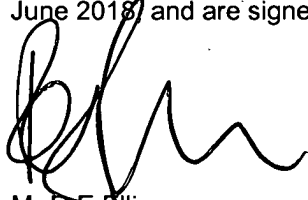
The notes on pages 14 to 25 form part of these financial statements.

Mission Mars Limited
Company Statement of Financial Position
24 September 2017

	Note	24 Sep 17 £	25 Sep 16 £
Fixed assets			
Tangible assets	14	570,174	566,079
Investments	15	<u>741,934</u>	<u>741,174</u>
		1,312,108	1,307,253
Current assets			
Debtors	17	2,920,570	2,516,934
Creditors: amounts falling due within one year	18	<u>1,160,708</u>	<u>748,374</u>
Net current assets		1,759,862	1,768,560
Total assets less current liabilities		3,071,970	3,075,813
Creditors: amounts falling due after more than one year	19	<u>1,901,153</u>	<u>2,471,675</u>
Net assets		<u>1,170,817</u>	<u>604,138</u>
Capital and reserves			
Called up share capital	24	200	200
Share premium account	25	999,800	999,800
Profit and loss account	25	<u>170,817</u>	<u>(395,862)</u>
Shareholders funds		<u>1,170,817</u>	<u>604,138</u>

The profit for the financial period of the parent company was £566,679 (2016: £254,267 loss).

These financial statements were approved by the board of directors and authorised for issue on 26 June 2018 and are signed on behalf of the board by:



Mr R E Ellis
Director

Company registration number: 09392603

The notes on pages 14 to 25 form part of these financial statements.

Mission Mars Limited

Consolidated Statement of Changes in Equity

Period from 26 September 2016 to 24 September 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non- controlling interests £	Total £
At 1 October 2015	200	999,800	(401,803)	598,197	–	598,197
Profit for the period	—	—	73,593	73,593	—	73,593
Total comprehensive income for the period	—	—	73,593	73,593	—	73,593
Dividends paid and payable 12	—	—	(100,000)	(100,000)	—	(100,000)
Total investments by and distributions to owners	—	—	(100,000)	(100,000)	—	(100,000)
At 25 September 2016	200	999,800	(428,210)	571,790	—	571,790
Profit for the period	—	—	241,460	241,460	53,079	294,539
Total comprehensive income for the period	—	—	241,460	241,460	53,079	294,539
Acquisition of subsidiary with minority interest	—	—	—	—	13,050	13,050
Total investments by and distributions to owners	—	—	—	—	13,050	13,050
At 24 September 2017	<u>200</u>	<u>999,800</u>	<u>(186,750)</u>	<u>813,250</u>	<u>66,129</u>	<u>879,379</u>

The notes on pages 14 to 25 form part of these financial statements.

Mission Mars Limited

Company Statement of Changes in Equity

Period from 26 September 2016 to 24 September 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 October 2015	200	999,800	(41,595)	958,405
Profit for the period	—	—	(254,267)	(254,267)
Total comprehensive income for the period	—	—	(254,267)	(254,267)
Dividends paid and payable 12	—	—	(100,000)	(100,000)
Total investments by and distributions to owners	—	—	(100,000)	(100,000)
At 25 September 2016	200	999,800	(395,862)	604,138
Profit for the period	—	—	566,679	566,679
Total comprehensive income for the period	—	—	566,679	566,679
At 24 September 2017	<u>200</u>	<u>999,800</u>	<u>170,817</u>	<u>1,170,817</u>

The notes on pages 14 to 25 form part of these financial statements.

Mission Mars Limited

Consolidated Statement of Cash Flows

Period from 26 September 2016 to 24 September 2017

	24 Sep 17 £	25 Sep 16 £
Cash flows from operating activities		
Profit for the financial period	294,539	73,593
<i>Adjustments for:</i>		
Depreciation of tangible assets	287,919	281,933
Amortisation of intangible assets	83,549	70,852
Other interest receivable and similar income	(130)	12,439
Interest payable and similar expenses	128,631	131,478
Tax on profit	93,925	–
Accrued expenses/(income)	176,581	(115,639)
<i>Changes in:</i>		
Stocks	21,284	(52,792)
Trade and other debtors	(48,815)	(242,210)
Trade and other creditors	(267,590)	720,973
Cash generated from operations	769,893	880,627
Interest paid	(128,631)	(131,478)
Interest received	130	(12,439)
Tax received	12,458	–
Net cash from operating activities	<u>653,850</u>	<u>736,710</u>
Cash flows from investing activities		
Purchase of tangible assets	(365,007)	(609,329)
Proceeds from sale of tangible assets	–	3,206
Purchase of intangible assets	(253,951)	–
Net cash used in investing activities	<u>(618,958)</u>	<u>(606,123)</u>
Cash flows from financing activities		
Proceeds from borrowings	247,858	(208,507)
Payments of finance lease liabilities	(27,439)	(28,488)
Dividends paid	–	(100,000)
Net cash from/(used in) financing activities	<u>220,419</u>	<u>(336,995)</u>
Net increase/(decrease) in cash and cash equivalents	255,311	(206,408)
Cash and cash equivalents at beginning of period	164,093	370,501
Cash and cash equivalents at end of period	<u>419,404</u>	<u>164,093</u>

The notes on pages 14 to 25 form part of these financial statements.

Mission Mars Limited

Notes to the Financial Statements

Period from 26 September 2016 to 24 September 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 2 Atherton Street, Manchester, M3 3GS.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

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.

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 period 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.

Mission Mars Limited

Notes to the Financial Statements *(continued)*

Period from 26 September 2016 to 24 September 2017

3. Accounting policies *(continued)*

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.

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 (usually on despatch of the goods); 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 to the Financial Statements *(continued)*

Period from 26 September 2016 to 24 September 2017

3. 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.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

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.

Mission Mars Limited

Notes to the Financial Statements *(continued)*

Period from 26 September 2016 to 24 September 2017

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

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.

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 to the Financial Statements *(continued)*

Period from 26 September 2016 to 24 September 2017

3. 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 period 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 period in which it arises.

4. Turnover

Turnover arises from:

	Period from 26 Sep 16 to 24 Sep 17 £	Period from 1 Oct 15 to 25 Sep 16 £
Sale of goods	<u>17,728,692</u>	<u>14,539,162</u>

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

Mission Mars Limited

Notes to the Financial Statements *(continued)*

Period from 26 September 2016 to 24 September 2017

5. Other operating income

	Period from 26 Sep 16 to 24 Sep 17 £	Period from 1 Oct 15 to 25 Sep 16 £
Other operating income	<u>34,085</u>	<u>66,667</u>

6. Operating profit

Operating profit or loss is stated after charging:

	Period from 26 Sep 16 to 24 Sep 17 £	Period from 1 Oct 15 to 25 Sep 16 £
Amortisation of intangible assets	83,549	70,852
Depreciation of tangible assets	287,919	281,933
Impairment of trade debtors	<u>3,372</u>	<u>8,287</u>

7. Staff costs

The average number of persons employed by the group during the period, including the directors, amounted to:

	24 Sep 17 No.	25 Sep 16 No.
Administrative staff	357	219
Management staff	<u>38</u>	<u>9</u>
	<u>395</u>	<u>228</u>

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 26 Sep 16 to 24 Sep 17 £	Period from 1 Oct 15 to 25 Sep 16 £
Wages and salaries	4,825,836	4,430,621
Social security costs	319,629	243,582
Other pension costs	<u>20,353</u>	<u>9,340</u>
	<u>5,165,818</u>	<u>4,683,543</u>

8. Directors' remuneration

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

	Period from 26 Sep 16 to 24 Sep 17 £	Period from 1 Oct 15 to 25 Sep 16 £
Remuneration	<u>39,921</u>	<u>17,667</u>

Mission Mars Limited

Notes to the Financial Statements *(continued)*

Period from 26 September 2016 to 24 September 2017

9. Other interest receivable and similar income

	Period from 26 Sep 16 to 24 Sep 17 £	Period from 1 Oct 15 to 25 Sep 16 £
Interest on cash and cash equivalents	60	(12,439)
Interest on bank deposits	70	—
	<u>130</u>	<u>(12,439)</u>

10. Interest payable and similar expenses

	Period from 26 Sep 16 to 24 Sep 17 £	Period from 1 Oct 15 to 25 Sep 16 £
Interest on banks loans and overdrafts	—	762
Interest on obligations under finance leases and hire purchase contracts	3,742	3,780
Other interest payable and similar charges	<u>124,889</u>	<u>126,936</u>
	<u>128,631</u>	<u>131,478</u>

11. Tax on profit

Major components of tax expense

	Period from 26 Sep 16 to 24 Sep 17 £	Period from 1 Oct 15 to 25 Sep 16 £
Current tax:		
UK current tax expense	1,066	—
Adjustments in respect of prior periods	<u>(181)</u>	<u>—</u>
Total current tax	<u>885</u>	<u>—</u>
Deferred tax:		
Origination and reversal of timing differences	<u>93,040</u>	<u>—</u>
Tax on profit	<u>93,925</u>	<u>—</u>

12. Dividends

	24 Sep 17 £	25 Sep 16 £
Dividends paid during the period (excluding those for which a liability existed at the end of the prior period)	<u>—</u>	<u>100,000</u>

Mission Mars Limited

Notes to the Financial Statements *(continued)*

Period from 26 September 2016 to 24 September 2017

13. Intangible assets

Group	Goodwill £
Cost	
At 26 September 2016	708,515
Additions	253,951
At 24 September 2017	962,466
Amortisation	
At 26 September 2016	70,852
Charge for the period	83,549
At 24 September 2017	154,401
Carrying amount	
At 24 September 2017	808,065
At 25 September 2016	637,663

The company has no intangible assets.

Purchased goodwill arose on the acquisition of the entire share capital of Zecol Limited and Zecol Thomas Limited in July 2015, and the purchase of 81% of the share capital of MM (Rudys) Limited in April 2017.

14. Tangible assets

Group	Land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 26 September 2016	3,329,382	958,516	541,851	731	4,830,480
Additions	103,746	107,470	143,791	10,000	365,007
At 24 September 2017	3,433,128	1,065,986	685,642	10,731	5,195,487
Depreciation					
At 26 September 2016	170,067	109,065	59,569	225	338,926
Charge for the period	141,211	89,873	55,251	1,584	287,919
Other movements	–	15,723	–	–	15,723
At 24 September 2017	311,278	214,661	114,820	1,809	642,568
Carrying amount					
At 24 September 2017	3,121,850	851,325	570,822	8,922	4,552,919
At 25 September 2016	3,159,315	849,451	482,282	506	4,491,554

Mission Mars Limited

Notes to the Financial Statements (continued)

Period from 26 September 2016 to 24 September 2017

14. Tangible assets (continued)

Company	Freehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 26 September 2016	589,666	—	—	589,666
Additions	—	390	28,349	28,739
At 24 September 2017	<u>589,666</u>	<u>390</u>	<u>28,349</u>	<u>618,405</u>
Depreciation				
At 26 September 2016	23,587	—	—	23,587
Charge for the period	23,586	36	1,022	24,644
At 24 September 2017	<u>47,173</u>	<u>36</u>	<u>1,022</u>	<u>48,231</u>
Carrying amount				
At 24 September 2017	<u>542,493</u>	<u>354</u>	<u>27,327</u>	<u>570,174</u>
At 25 September 2016	<u>566,079</u>	<u>—</u>	<u>—</u>	<u>566,079</u>

15. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 26 September 2016	741,174
Additions	760
At 24 September 2017	<u>741,934</u>
Impairment	
At 26 September 2016 and 24 September 2017	<u>—</u>
Carrying amount	
At 24 September 2017	<u>741,934</u>
At 25 September 2016	<u>741,174</u>

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	81
Rudy's Pizza Limited - (Owned indirectly)	Ordinary	81

Mission Mars Limited

Notes to the Financial Statements (continued)

Period from 26 September 2016 to 24 September 2017

16. Stocks

	Group		Company	
	24 Sep 17	25 Sep 16	24 Sep 17	25 Sep 16
	£	£	£	£
Raw materials and consumables	<u>139,263</u>	<u>160,547</u>	<u>-</u>	<u>-</u>

17. Debtors

	Group		Company	
	24 Sep 17	25 Sep 16	24 Sep 17	25 Sep 16
	£	£	£	£
Trade debtors	99,481	242,974	26,631	38,600
Amounts owed by group undertakings	-	-	2,835,651	2,478,334
Prepayments and accrued income	458,850	276,741	20,209	-
Other debtors	<u>43,702</u>	<u>28,752</u>	<u>38,079</u>	<u>-</u>
	<u>602,033</u>	<u>548,467</u>	<u>2,920,570</u>	<u>2,516,934</u>

18. Creditors: amounts falling due within one year

	Group		Company	
	24 Sep 17	25 Sep 16	24 Sep 17	25 Sep 16
	£	£	£	£
Bank loans and overdrafts	66,668	66,668	251,417	251,137
Trade creditors	1,570,679	1,327,845	264,770	117,051
Accruals and deferred income	642,734	497,153	7,811	3,200
Corporation tax	13,343	-	-	-
Social security and other taxes	482,730	377,566	-	23,656
Obligations under finance leases and hire purchase contracts	6,624	27,439	-	-
Director loan accounts	636,710	353,330	636,710	353,330
Other creditors	<u>130,429</u>	<u>246,017</u>	<u>-</u>	<u>-</u>
	<u>3,549,917</u>	<u>2,896,018</u>	<u>1,160,708</u>	<u>748,374</u>

19. Creditors: amounts falling due after more than one year

	Group		Company	
	24 Sep 17	25 Sep 16	24 Sep 17	25 Sep 16
	£	£	£	£
Bank loans and overdrafts	1,860,153	1,895,675	1,860,153	1,895,675
Obligations under finance leases and hire purchase contracts	-	6,624	-	-
Other creditors	<u>76,000</u>	<u>576,000</u>	<u>41,000</u>	<u>576,000</u>
	<u>1,936,153</u>	<u>2,478,299</u>	<u>1,901,153</u>	<u>2,471,675</u>

The bank loans are secured by way of a debenture over all property, book debts, all present and future goodwill and uncalled capital of the company.

Mission Mars Limited

Notes to the Financial Statements (continued)

Period from 26 September 2016 to 24 September 2017

20. Finance leases and hire purchase contracts

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

	Group		Company	
	24 Sep 17	25 Sep 16	24 Sep 17	25 Sep 16
	£	£	£	£
Not later than 1 year	6,624	27,439	6,624	–
Later than 1 year and not later than 5 years	–	6,624	–	–
	<u>6,624</u>	<u>34,063</u>	<u>6,624</u>	<u>–</u>

21. Provisions

Group	Deferred tax (note 22) £
At 26 September 2016	56,217
Additions	115,672
Charge against provision	<u>(15,654)</u>
At 24 September 2017	<u>156,235</u>

The company does not have any provisions.

22. Deferred tax

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

	Group		Company	
	24 Sep 17	25 Sep 16	24 Sep 17	25 Sep 16
	£	£	£	£
Included in provisions (note 21)	<u>156,235</u>	<u>56,217</u>	<u>–</u>	<u>–</u>

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

	Group		Company	
	24 Sep 17	25 Sep 16	24 Sep 17	25 Sep 16
	£	£	£	£
Accelerated capital allowances	<u>156,235</u>	<u>56,217</u>	<u>–</u>	<u>–</u>

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £20,353 (2016: £9,340).

Mission Mars Limited

Notes to the Financial Statements *(continued)*

Period from 26 September 2016 to 24 September 2017

24. Called up share capital

Issued, called up and fully paid

	24 Sep 17		25 Sep 16	
	No.	£	No.	£
Ordinary A shares of £0.0001 each	1,000,000	100	1,000,000	100
Ordinary B shares of £0.0001 each	1,000,000	100	1,000,000	100
	<u>2,000,000</u>	<u>200</u>	<u>2,000,000</u>	<u>200</u>

25. Reserves

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.

26. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	24 Sep 17	25 Sep 16	24 Sep 17	25 Sep 16
	£	£	£	£
Not later than 1 year	200,000	200,000	-	-
Later than 1 year and not later than 5 years	800,000	800,000	-	-
Later than 5 years	<u>1,150,000</u>	<u>1,350,000</u>	<u>-</u>	<u>-</u>
	<u>2,150,000</u>	<u>2,350,000</u>	<u>-</u>	<u>-</u>

27. Related party transactions

Group

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102.

Company

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102.