

CHELSEA FINE FOOD LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

CHELSEA FINE FOOD LTD

COMPANY INFORMATION

Directors	G Clements E Grenville (resigned 2 May 2024) B Lambert (appointed 2 May 2024)
Registered number	08920708
Registered office	55-57 The Pavement London England SW4 0JQ
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

Introduction

Chelsea Fine Food Limited is the trading entity of the Neighbourhood Places Limited group. At the time of approval of the financial statements the group operates 21 restaurants in London and the surrounding home counties. The business was purchased by the current owner in 2014, when it had 1 site and has been rapidly expanding ever since.

Post year-end the business has opened two further locations in Twickenham and Weybridge. Construction has also begun on a third location in Farnham, due to open in October 2024.

Business review

The financial highlights below continue to demonstrate strong rates of revenue growth, both in terms of like for like sales from the mature estate and from new site openings. Despite inflationary pressures, the business has achieved a robust adjusted EBITDA margin percentage, showcasing strong performance against a challenging backdrop.

Year on year revenue was up by 11.88% to a record £29.6m (2022: £26.5m). The results reflect strong one year like for like sales growth of 2% and the positive impact of the new site opening programme, with 2 sites opened in the financial year.

The increase in the adjusted EBITDA % from 10.1% to 15.0% is largely reflective of improvement in operational performance at site level, with a new operations team joining including an experienced operations director, combined with the launch of several market leading systems to drive operational excellence and thus improve conversion.

The Company remains committed to its core objective of value for money and is delighted to be able to report improved margins, despite minimal increases in the prices of core items.

Net assets increased significantly to £2.0million (2023: -£0.03 million), driven by improved performance and the partial reversal of the prior year's impairment charge. The impairment charge was reversed in light of the substantial improvement in the current year's results across the 3 previously impaired sites.

	2024 £	2023 £
Operating profit/(loss)	3,016,892	(1,785,440)
Add back: Depreciation	1,445,353	1,513,648
Add back/(less): Exceptional costs	(704,152)	2,217,043
Add Back: Licence fee	686,667	732,152
	<u>4,444,760</u>	<u>2,677,403</u>

An adjusted EBITDA margin of 15.0% was generated in the year to 31 March 2024 (2023 - 10.1%).

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Principal risks and uncertainties

Economic and market risks

Whilst considerable uncertainty remains around the broader economic outlook for the UK, the company believes that through delivery of an excellent and consistent offer, a compelling value proposition and effective management control it can withstand market pressures.

Energy Costs

Higher energy costs in the UK market has led to an increase in overheads across the company. A fixed contract has been secured to avoid large fluctuations in cost month by month. Furthermore, measures have been put in place to reduce our energy consumption where possible, as part of our commitment to sustainability.

Health and safety

The company places the utmost importance on the safety of the food served in the restaurants and the general health and safety of both employees and customers. The company works closely with local authorities and health and safety experts to ensure the best processes and standards are always in place across the company. Regular external audits are conducted to ensure standards are always met.

Liquidity risk

The company monitors cashflow as part of its daily control procedures to ensure appropriate liquidity is available. Cash flow is stress-tested to assess the company's ability to withstand future shocks.

Interest rate risk

The company monitors the risk of rising interest rates on financial performance. It performs sensitivity analysis and forecasts covenant compliance to ensure alignment with our strategic objectives and regulatory requirements.

Financial key performance indicators

The business uses a range of financial and non-financial measures to assess performance, including like for like ("LFL") sales, adjusted EBITDA %. Adjusted EBITDA %, represents EBITDA % including the removal of various one-time, irregular, and non-recurring items from EBITDA.

Other key performance indicators

Management continues to monitor non-financial KPIs on an on-going basis. Non-financial KPIs include food safety standards, staff turnover and engagement, customer feedback and consistency of operational standards.

This report was approved by the board and signed on its behalf.

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G Clements

Director

Date: 30 August 2024

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

The directors present their report and the financial statements for the year ended 31 March 2024.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £2,025,275 (2023 - loss £1,542,550).

Directors

The directors who served during the year were:

G Clements
E Grenville (resigned 2 May 2024)

Future developments

The Company has chosen, in accordance with Companies Act 2006, s.414C(11), to set out the information relating to future development and financial risk management in the Company's Strategic Report.

Engagement with employees

The Company's policy is to consult its teams on all matters likely to affect employees' interests. Information about matters of concern to employees is given through information updates and reports which seek to achieve common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Disabled employees

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

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

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G Clements

Director

Date: 30 August 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELSEA FINE FOOD LTD

Opinion

We have audited the financial statements of Chelsea Fine Food Ltd (the 'Company') for the year ended 31 March 2024, which comprise the Profit and Loss Account, the Statement of Financial Position, the Statement of Changes in Equity 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 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 Company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELSEA FINE FOOD LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 year 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 set out on page 3, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELSEA FINE FOOD LTD (CONTINUED)

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the industry, we identified that the principal risks of non-compliance with laws and regulations are food safety and hygiene laws, licensing and minimum wage regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and tax regulation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue to manipulate cut-off and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- enquiries with management over any correspondence with regulators and tax authorities and review of documentation where appropriate;
- consideration of known or suspected instances of non-compliance with laws and regulations through discussion with management and review of the FSA hygiene ratings;
- evaluating management's controls designed to prevent and detect irregularities
- identifying and testing journals, in particular postings with high value transactions or rounded entries, as well as unexpected journal entries to revenue ;and
- challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELSEA FINE FOOD LTD (CONTINUED)

Use of our report

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 Auditors' 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.

Isabelle Shepherd (Senior Statutory Auditor)

for and on behalf of

Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

30 August 2024

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £	2023 £
Turnover	4	29,599,540	26,457,133
Cost of sales		(19,508,854)	(16,575,804)
Gross profit		10,090,686	9,881,329
Administrative expenses		(9,764,272)	(10,568,443)
Exceptional administrative expenses	12	704,152	(2,217,043)
Other operating income	5	1,986,326	1,118,717
Operating profit/(loss)	6	3,016,892	(1,785,440)
Interest payable and similar expenses	10	(302,856)	(203,291)
Profit/(loss) before tax		2,714,036	(1,988,731)
Tax (charged)/credited on profit/(loss)	11	(688,761)	446,181
Profit/(loss) for the financial year		<u>2,025,275</u>	<u>(1,542,550)</u>

There are no items of other comprehensive income for 2024 or 2023 other than the profit for the year. As a result, no separate Statement of Comprehensive Income has been presented.

The notes on pages 12 to 26 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	9,891,803	8,889,362
		<u>9,891,803</u>	<u>8,889,362</u>
Current assets			
Stocks		206,598	213,857
Debtors: amounts falling due within one year	15	1,518,170	1,096,717
Cash at bank and in hand		682,607	367,450
		<u>2,407,375</u>	<u>1,678,024</u>
Creditors: amounts falling due within one year	16	(5,890,681)	(5,914,944)
Net current liabilities		<u>(3,483,306)</u>	<u>(4,236,920)</u>
Total assets less current liabilities		<u>6,408,497</u>	<u>4,652,442</u>
Creditors: amounts falling due after more than one year	17	(3,459,106)	(4,417,087)
Provisions for liabilities			
Deferred tax	19	(950,003)	(261,242)
		<u>(950,003)</u>	<u>(261,242)</u>
Net assets/(liabilities)		<u><u>1,999,388</u></u>	<u><u>(25,887)</u></u>
Capital and reserves			
Called up share capital	20	90	90
Capital redemption reserve	21	(1,050,000)	(1,050,000)
Profit and loss account	21	3,049,298	1,024,023
		<u><u>1,999,388</u></u>	<u><u>(25,887)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 August 2024.

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G Clements

Director

The notes on pages 12 to 26 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2022	90	(1,050,000)	2,566,573	1,516,663
Loss for the year	-	-	(1,542,550)	(1,542,550)
At 1 April 2023	90	(1,050,000)	1,024,023	(25,887)
Profit for the year	-	-	2,025,275	2,025,275
At 31 March 2024	90	(1,050,000)	3,049,298	1,999,388

The notes on pages 12 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. General information

Chelsea Fine Food Ltd is a private company, limited by shares, and incorporated in England and Wales. The Company's registered number is 08920708 and registered office address is 55-57 The Pavement, London, England, SW4 0JQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 have been prepared in pound sterling (£), and rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Neighbourhood Places Limited as at 31 March 2024 and these financial statements may be obtained from Companies House.

2.3 Going concern

The Company closely monitors and manages its financing position throughout the year to ensure it has sufficient liquidity to fund operations. Forecasts are produced regularly and these, along with related sensitivity analyses, allow management to proactively manage liquidity compliance risks in a timely manner.

In preparing the financial statements management has prepared detailed cashflow forecasts and stressed these forecasts to understand the impact on the business. These stressed forecasts show that the Company has sufficient liquidity to meet its obligations as they fall due for a period of twelve months from the date of approval of the financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable for the sale of food and beverage at restaurants sites, excluding discounts, rebates, value added tax and other sales taxes. Turnover is recognised at the point of sale.

2.5 Other operating income

Other operating income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured. Other operating income in relation to service charge is recognised in the period in which it was collected from customers.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Long-term leasehold property	- Over the life of the lease
Fixtures and fittings	- 20%
Computer equipment	- 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Assets under the course of construction are not depreciated as they are sites that are in the process of being fitted out and are therefore not in use.

2.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.16 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.17 Creditors

Short-term creditors are measured at the transaction price.

2.18 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates.

In carrying out the impairment review of fixed assets, it has been necessary to make estimates and judgements. Individual sites are viewed as separate cash generating units. The recoverable amount of each cash generating unit has been identified as the higher of the fair value less cost to sell, or the value in use.

Management have prepared value in use calculations for each site which estimate future performance and cashflows generated, discounted to present value. Management have used their judgment to identify an appropriate discount rate for these cashflows.

As a result of these estimates and judgements, the actual recoverable amount may differ from the estimated recoverable amount. The value of fixed assets and the value of the impairment release in the year, mean that this could be material.

4. Turnover

The whole of the turnover is attributable to the principal business activity being the sale of food and beverages; which all arose within the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

5. Other operating income

	2024 £	2023 £
Other operating income	-	12,788
Rental Income	143,000	-
Government grants receivable	-	7,744
Service charge	1,843,326	1,098,185
	<u>1,986,326</u>	<u>1,118,717</u>

Rental income relates to income generated from the sub-letting of two sites, Parsons Green and Kings Road.

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2024 £	2023 £
Depreciation of tangible fixed assets	1,445,353	1,513,648
Other operating lease costs	<u>2,030,127</u>	<u>1,792,801</u>

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2024 £	2023 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>62,500</u>	<u>60,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2024 £	2023 £
Wages and salaries	11,215,782	9,758,946
Social security costs	725,739	639,803
Cost of defined contribution scheme	147,520	127,477
	<u>12,089,041</u>	<u>10,526,226</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2024 No.	2023 No.
Operational	643	681
Administration	18	26
	<u>661</u>	<u>707</u>

9. Directors' remuneration

	2024 £	2023 £
Directors' emoluments	<u>240,000</u>	<u>185,746</u>

The highest paid director received remuneration of £130,000 (2023: £127,400)

During the year contributions to defined benefit pension schemes for directors totalled £2,642 (2023: £nil).

10. Interest payable and similar expenses

	2024 £	2023 £
Bank loans interest payable	<u>302,856</u>	<u>203,291</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

11. Taxation

	2024 £	2023 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	697,816	(408,805)
Adjustments in respect of prior periods	(9,055)	(37,376)
Total deferred tax	<u>688,761</u>	<u>(446,181)</u>
Tax charged/(credited) on profit/(loss)	<u>688,761</u>	<u>(446,181)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2023 - the same as) the standard rate of corporation tax in the UK of 25% (2023 - 19%). The differences are explained below:

	2024 £	2023 £
Profit/(loss) on ordinary activities before tax	<u>2,714,036</u>	<u>(1,988,730)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	678,509	(377,859)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,644	2,699
Capital allowances for year in excess of depreciation	16,059	61,635
Adjustments to tax charge in respect of prior periods - deferred tax	(9,055)	(37,385)
Other permanent differences	1,604	2,843
Remeasurement of deferred tax for changes in tax rates	-	(98,114)
Total tax (credit)/charge for the year	<u>688,761</u>	<u>(446,181)</u>

Factors that may affect future tax charges

There are no factors that are considered to affect future tax charges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**
12. Exceptional items

	2024 £	2023 £
Exceptional costs	187,062	154,210
Pre-opening costs	355,835	640,860
Impairment (release) / charge	(1,247,049)	1,421,973
	<u>(704,152)</u>	<u>2,217,043</u>

13. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Assets in the course of construction £	Total £
Cost					
At 1 April 2023	8,297,109	4,775,979	687,403	925,438	14,685,929
Additions	501,552	245,418	129,616	512,740	1,389,326
Disposals	(273,547)	(271,718)	(28,002)	-	(573,267)
Transfers between classes	517,183	245,553	5,021	(767,757)	-
At 31 March 2024	<u>9,042,297</u>	<u>4,995,232</u>	<u>794,038</u>	<u>670,421</u>	<u>15,501,988</u>
Depreciation					
At 1 April 2023	2,684,555	2,677,569	434,444	-	5,796,568
Charge for the year	537,060	761,442	146,851	-	1,445,353
Disposals	(191,604)	(216,356)	(25,686)	-	(433,646)
Impairment losses written back	(844,350)	(315,684)	(38,055)	-	(1,198,089)
At 31 March 2024	<u>2,185,661</u>	<u>2,906,971</u>	<u>517,554</u>	<u>-</u>	<u>5,610,186</u>
Net book value					
At 31 March 2024	<u>6,856,636</u>	<u>2,088,261</u>	<u>276,484</u>	<u>670,421</u>	<u>9,891,802</u>
At 31 March 2023	<u>5,612,554</u>	<u>2,098,410</u>	<u>252,960</u>	<u>925,438</u>	<u>8,889,362</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

13. Tangible fixed assets (continued)

A charge is held over the following sites for a portion of the loans held by Barclays:

55-57 The Pavement Clapham Old, London, United Kingdom, SW 40JQ.

86 High Street Wimbledon, London, United Kingdom, SW19 5EG.

25 Dulwich Village , Dulwich, United Kingdom, SE21 7BN.

27 Circus West Villa, Battersea, London, United Kingdom, SW11 8NN.

6 Esther Anne Place, Islington, London, United Kingdom, N1 1WF.

14. Stocks

	2024 £	2023 £
Raw materials and consumables	206,598	213,857
	<u>206,598</u>	<u>213,857</u>

15. Debtors

	2024 £	2023 £
Trade debtors	89,039	88,085
Other debtors	973,704	555,215
Prepayments and accrued income	455,427	453,417
	<u>1,518,170</u>	<u>1,096,717</u>

16. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank loans	776,744	956,491
Other loans	800,000	-
Trade creditors	1,202,336	2,283,893
Amounts owed to group undertakings	78,831	90,009
Other taxation and social security	1,010,441	1,215,816
Other creditors	319,931	401,815
Accruals and deferred income	1,702,398	966,920
	<u>5,890,681</u>	<u>5,914,944</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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

	2024 £	2023 £
Bank loans	1,877,868	2,192,379
Other loans	-	800,000
Other creditors	370,060	327,638
Accruals and deferred income	1,211,178	1,097,070
	<u>3,459,106</u>	<u>4,417,087</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

18. Loans

Analysis of the maturity of loans is given below:

	2024 £	2023 £
Amounts falling due within one year		
Bank loans	776,744	956,491
Other loans	800,000	-
	<u>1,576,744</u>	<u>956,491</u>
Amounts falling due 1-2 years		
Bank loans	395,655	798,395
Other loans	-	800,000
	<u>395,655</u>	<u>1,598,395</u>
Amounts falling due 2-5 years		
Bank loans	1,117,593	1,393,984
	<u>1,117,593</u>	<u>1,393,984</u>
Amounts falling due after more than 5 years		
Bank loans	364,620	-
	<u>364,620</u>	<u>-</u>
	<u><u>3,454,612</u></u>	<u><u>3,948,870</u></u>

Other loans

Other loans is a £800,000 unsecured loan from a related party (see note 25) for more details. Interest is payable quarterly at 8% p.a. The loan was drawn down in January 2022 and is due for repayment after 36 months in January 2025.

On April 3, 2024, the company repaid £350,000 of the loan owed to the ultimate controlling party. This

repayment was made due to excess cashflow held within the business. Following this repayment, the

outstanding balance of the loan was reduced to £450,000.

The repayment date for the remaining loan balance was extended to January 31, 2026.

Bank loans

Bank loans represent loans totaling £2,654,612 (2023: £3,148,870) from Barclays Bank Plc. £558,401 (2023: £1,313,456) of these loans are under the Coronavirus Business Interruption Loan Scheme (CBIL). The loans were drawn down between September 2018 and September 2023 and all have terms of 3 to 7 years from date of draw down and incur interest of base rate plus 3-3.75% p.a. Repayment is in installments over the term of the loans.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

19. Deferred taxation

	2024 £
At beginning of year	(261,242)
Charged to profit or loss	(688,761)
At end of year	<u><u>(950,003)</u></u>

The provision for deferred taxation is made up as follows:

	2024 £	2023 £
Accelerated capital allowances	(1,126,067)	(1,006,963)
Short term timing differences	24,912	16,261
Losses and other deductions	151,152	729,460
	<u><u>(950,003)</u></u>	<u><u>(261,242)</u></u>

20. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
9,000 (2023: 9,000) Ordinary shares of £0.01 each	<u><u>90</u></u>	<u><u>90</u></u>

21. Reserves

Capital redemption reserve

This reserve reflects the amount paid for the repurchase of shares by the Company.

Profit and loss account

Includes all current and prior period retained profits and losses less any dividends paid.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

22. Capital commitments

At 31 March 2024 the Company had capital commitments as follows:

	2024 £	2023 £
Contracted for but not provided in these financial statements	615,394	-
	<u>615,394</u>	<u>-</u>

As at the year end the company had contracted but not provided for services and materials in relation to two new sites in Twickenham and Weybridge.

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £147,520 (2023: £127,477). Contributions totaling £35,573 (2023: £33,625) were payable to the fund at the reporting date and are included in Other creditors.

24. Commitments under operating leases

At 31 March 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £	2023 £
Not later than 1 year	1,023,992	1,100,440
Later than 1 year and not later than 5 years	3,287,279	3,651,897
Later than 5 years	1,774,900	2,434,274
	<u>6,086,171</u>	<u>7,186,611</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

25. Related party transactions

Included in Other debtors as at 31 March 2024 is £76,677 (2023: £248,477) due from an individual who is the ultimate controlling party. This amount is interest free. This debtor is driven from royalty's earned of £686,667 (2023: £731,841), interest accrued on loaned amounts of £64,000 (2023: £82,409) and payments made.

Included within other loans is a £800,000 (2023: £800,000) loan from the same individual who is the

ultimate controlling party. The loan was drawn down in January 2022 and is due for repayment after 36 months in January 2025. Interest is payable quarterly at 8% p.a. Post year end, £350,000 was repaid and remaining loan extended to be due in January 2026.

Key management personnel are considered to be the Directors and their remuneration is disclosed in

note 9.

Personal guarantees have been made against debt where the total outstanding balance at 31 March

2024 is £112,271 (2023: £387,648) by a close family member of the ultimate controlling party.

Included within trade payables at year end were amounts owed to a close family member of the ultimate controlling party. These are in relation to expenses in the normal course of business. Transactions totalled £91,259 (2023: £82,788) and £4,028 (2023: £4,170) was owed as at 31 March 2024.

There is an agreement in place to recharge staff costs for three employees that are on Chelsea Fine

Food Limited payroll but work for a company controlled by the close family of the ultimate controlling

party. This company provides design services to Chelsea Fine Food Limited. Payroll costs of £139,077 were recharged in the year to 31 March 2024 (2023: £274,470). A total of £140,400 was paid for design services to this company (2023: £368,400).

26. Post balance sheet events

On April 3, 2024, the company repaid £350,000 of the loan owed to the ultimate controlling party. This repayment was made due to excess cashflow held within the business. Following this repayment, the outstanding balance of the loan was reduced to £450,000.

The repayment date for the remaining loan balance was extended to January 31, 2026.

27. Controlling party

At the year end the ultimate controlling party was B McKevitt.

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