

CHELSEA FINE FOOD LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 MARCH 2025

CHELSEA FINE FOOD LTD

COMPANY INFORMATION

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

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**STRATEGIC REPORT
FOR THE PERIOD ENDED 30 MARCH 2025**

Introduction

The directors present their Strategic Report for the period ended 30 March 2025.

Chelsea Fine Food Ltd is the trading entity of the Neighbourhood Places Limited group. At the end of the financial year, Chelsea Fine Food Ltd operated 21 restaurants across London and the South East. During the year, the Company successfully opened three new locations: Twickenham, Weybridge, and Farnham. These openings reflect the Company's continued strategy of expanding in high-quality suburban and commuter locations where the neighbourhood-focused hospitality model remains highly relevant.

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.

Revenue increased by 12.88% to £33.4m (2024: £29.6m), driven by the addition of these new sites alongside 2% like-for-like sales growth from the existing estate.

Adjusted EBITDA reduced to £3.8m (2024: £4.6m), with the EBITDA margin decreasing to 12% from 15% in the prior year. This reduction reflects the impact of significant cost pressures in both labour and food, which were particularly acute during the period.

Alongside these inflationary pressures, the Company made a conscious decision to protect its value-for-money proposition for guests by absorbing some of the cost increases rather than fully passing them on through pricing. As part of this strategy, the Company did not implement any significant increases to menu prices during the year. Maintaining accessibility and strong perceived value is a core part of the Company's neighbourhood strategy and is critical to ensuring long-term guest loyalty and sustained repeat trade.

The Company recorded a statutory loss of £1.05m (2024: profit of £2.0m). This includes £1.6m of exceptional costs, comprising pre-opening expenditure for the new sites, professional fees incurred in relation to a potential investment round, and impairment charges. Within this, £489.1k relates to one specific site which the Company is actively seeking to exit. These impairments reflect a prudent reassessment of the recoverable value of these assets based on current and forecast trading performance.

The Company also exited its lease at Clapham Common during the year following the removal of planning permission by the local council, which rendered the site unable to be traded under the Megan's concept. This exit was aligned with the Company's estate optimisation strategy and focus on maintaining a high-performing, sustainable estate.

Net assets reduced to £0.66m (2024: £2.0m), reflecting the reported statutory loss and investment into the estate during the year. The Company maintains appropriate financing facilities to support future growth.

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2025

	2025	2024
	£	£
Operating profit/(loss)	(780,094)	3,016,892
Add back: depreciation	1,721,154	1,445,353
Add back/(less): exceptional costs	1,602,013	(704,152)
Add back: licence fee	823,095	686,667
Add back: loss on disposal of fixed assets	478,572	139,621
Adjusted EBITDA	3,844,740	4,584,381

Adjusted EBITDA is a non-GAAP measure that reflects earnings before interest, taxes, depreciation, and amortisation, further adjusted for non-recurring, non-operational, or non-cash items to provide a clearer view of underlying operating performance.

An adjusted EBITDA margin of 12% was generated in the period ended 30 March 2025 (2024: 15%).

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2025

Principal risks and uncertainties

Economic and market risks

Whilst uncertainty remains around the broader economic outlook for the UK, particularly in relation to consumer confidence and discretionary spending, the Company believes that through delivery of an excellent and consistent guest experience, a compelling value-for-money proposition, and effective operational controls, it is well-positioned to withstand market pressures.

Labour and food cost inflation

The Company continues to face significant inflationary pressures, particularly in relation to labour and food costs. These pressures have been carefully managed through operational efficiencies, menu engineering, and procurement strategies. The Company is committed to maintaining a sustainable cost base whilst protecting its guest proposition.

Energy costs

Higher energy costs have contributed to increased overheads across the business. The Company has secured fixed energy contracts to mitigate the impact of short-term market volatility and continues to focus on energy reduction initiatives as part of its broader sustainability objectives.

Health and safety

The health and safety of both guests and team members remains a priority. The Company works closely with local authorities and health and safety experts to maintain high standards across all sites. Regular external audits are conducted to ensure compliance and best practice.

Liquidity risk

The Company maintains robust cash flow management and monitors liquidity on a daily basis to ensure appropriate headroom is available. Cash flow is regularly stress-tested to assess resilience against potential future shocks.

Interest rate risk

The Company actively monitors the impact of interest rates on financial performance, performing sensitivity analyses to ensure ongoing compliance with debt covenants and alignment with its strategic objectives.

Future Developments

The Company remains committed to its strategy of disciplined, selective expansion, targeting locations aligned to its proven neighbourhood model. A pipeline of further openings is under consideration for the next 12 to 24 months.

Operational priorities will focus on embedding and optimising the performance of the recently opened sites, maintaining tight cost control, and driving profitability while ensuring that the guest experience and value proposition remain at the heart of the Company's offer.

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.

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2025

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: 23 July 2025

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 MARCH 2025**

The directors present their report and the financial statements for the period ended 30 March 2025.

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 loss for the period, after taxation, amounted to £1,052,476 (2024: profit £2,025,275).

Dividends of £285,000 were paid in the period (2024: £nil).

Directors

The directors who served during the period were:

G Clements
E Grenville (resigned 2 May 2024)
B Lambert (appointed 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 PERIOD ENDED 30 MARCH 2025

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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, HaysMac 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: 23 July 2025

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 period ended 30 March 2025, which comprise the Statement of Comprehensive Income, 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 30 March 2025 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 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 5, 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 Company and 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 overstate revenue 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

HaysMac LLP

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

23 July 2025

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 MARCH 2025**

	Note	2025 £	2024 £
Turnover	4	33,412,886	29,599,540
Cost of sales		(21,793,951)	(19,508,854)
Gross profit		<u>11,618,935</u>	<u>10,090,686</u>
Administrative expenses		(11,653,239)	(9,764,272)
Exceptional administrative expenses	12	(1,602,013)	704,152
Other operating income	5	856,223	1,986,326
Operating (loss)/profit	6	<u>(780,094)</u>	<u>3,016,892</u>
Interest payable and similar expenses	10	(265,182)	(302,856)
(Loss)/profit before tax		<u>(1,045,276)</u>	<u>2,714,036</u>
Tax on (loss)/profit	11	(7,200)	(688,761)
(Loss)/profit for the financial period/year		<u><u>(1,052,476)</u></u>	<u><u>2,025,275</u></u>

There was no other comprehensive income for the period ended 30 March 2025 (2024: £nil).

The notes on pages 14 to 28 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	13	9,602,118	9,891,803
Current assets			
Stocks	14	199,346	206,598
Debtors	15	1,736,623	1,526,974
Cash at bank and in hand	16	712,864	673,803
		<u>2,648,833</u>	<u>2,407,375</u>
Creditors: amounts falling due within one year	17	(6,361,875)	(5,890,681)
Net current liabilities		<u>(3,713,042)</u>	<u>(3,483,306)</u>
Total assets less current liabilities		<u>5,889,076</u>	<u>6,408,497</u>
Creditors: amounts falling due after more than one year	18	(4,269,961)	(3,459,106)
Provisions for liabilities			
Deferred tax	20	(957,203)	(950,003)
		<u>(957,203)</u>	<u>(950,003)</u>
Net assets		<u><u>661,912</u></u>	<u><u>1,999,388</u></u>
Capital and reserves			
Called up share capital	21	90	90
Capital redemption reserve	22	(1,050,000)	(1,050,000)
Profit and loss account	22	1,711,822	3,049,298
		<u><u>661,912</u></u>	<u><u>1,999,388</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 July 2025.

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G Clements

Director

The notes on pages 14 to 28 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 MARCH 2025**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2023	90	(1,050,000)	1,024,023	(25,887)
Loss for the year	-	-	2,025,275	2,025,275
At 31 March 2024	90	(1,050,000)	3,049,298	1,999,388
Loss for the period	-	-	(1,052,476)	(1,052,476)
Dividends	-	-	(285,000)	(285,000)
At 30 March 2025	<u>90</u>	<u>(1,050,000)</u>	<u>1,711,822</u>	<u>661,912</u>

The notes on pages 14 to 28 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2025**

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 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 30 March 2025 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 period 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 PERIOD ENDED 30 MARCH 2025**

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 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 PERIOD ENDED 30 MARCH 2025**

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the period 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.

2.10 Exceptional administrative expenses

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

2.11 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 PERIOD ENDED 30 MARCH 2025**

2. Accounting policies (continued)

2.11 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.

2.12 Impairment of fixed assets

Assets that are subject to depreciation 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.

2.13 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.

2.14 Debtors

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

2.15 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 PERIOD ENDED 30 MARCH 2025**

2. Accounting policies (continued)

2.16 Creditors

Short-term creditors are measured at the transaction price.

2.17 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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 PERIOD ENDED 30 MARCH 2025**

5. Other operating income

	2025 £	2024 £
Other operating income	18,542	-
Rental Income	213,048	143,000
Service charge	624,633	1,843,326
	<u>856,223</u>	<u>1,986,326</u>

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

6. Operating (loss)/profit

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

	2025 £	2024 £
Depreciation on tangible fixed assets	1,721,154	1,445,353
Other operating lease costs	<u>2,179,656</u>	<u>2,030,127</u>

7. Auditors' remuneration

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

	2025 £	2024 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>67,000</u>	<u>62,500</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2025**

8. Employees

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

	2025 £	2024 £
Wages and salaries	12,445,966	11,215,782
Social security costs	883,768	725,739
Cost of defined contribution scheme	173,538	147,520
	<u>13,503,272</u>	<u>12,089,041</u>

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

	2025 No.	2024 No.
Operational	706	643
Administration	19	18
	<u>725</u>	<u>661</u>

9. Directors' remuneration

	2025 £	2024 £
Directors' emoluments	210,965	240,000
	<u>210,965</u>	<u>240,000</u>

The highest paid director received remuneration of £100,000 (2024 - £130,000).

During the period contributions to defined benefit pension schemes for directors totalled £2,752 (2024: £2,642).

10. Interest payable and similar expenses

	2025 £	2024 £
Bank loans interest payable	<u>265,182</u>	<u>302,856</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2025**

11. Taxation

	2025 £	2024 £
Current tax on (loss)/profit for the period	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	6,616	697,816
Adjustment in respect of prior periods	584	(9,055)
Total deferred tax	<u>7,200</u>	<u>688,761</u>
	<u>7,200</u>	<u>688,761</u>

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2024: higher than) the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	2025 £	2024 £
(Loss)/profit on ordinary activities before tax	<u>(1,045,276)</u>	<u>2,714,037</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%)	(262,750)	678,509
Effects of:		
Expenses not deductible for tax purposes, other than impairment	59,879	1,644
Fixed asset differences, including impairment and capital allowances	196,728	16,059
Adjustments to tax charge in respect of prior periods - deferred tax	584	(9,055)
Other permanent differences	12,759	1,604
Total tax charge for the period	<u>7,200</u>	<u>688,761</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 PERIOD ENDED 30 MARCH 2025**
12. Exceptional items

	2025 £	2024 £
Exceptional costs	586,828	187,062
Pre-opening costs	459,362	355,835
Impairment (release)/charge	555,823	(1,247,049)
	<u>1,602,013</u>	<u>(704,152)</u>

13. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Assets in the course of construction £	Total £
Cost					
At 31 March 2024	9,042,297	4,995,232	794,041	670,421	15,501,991
Additions	260,702	218,169	112,228	1,874,764	2,465,863
Disposals	(955,105)	(425,576)	(98,121)	(24,975)	(1,503,777)
Transfers between classes	1,513,671	866,187	93,174	(2,473,032)	-
At 30 March 2025	<u>9,861,565</u>	<u>5,654,012</u>	<u>901,322</u>	<u>47,178</u>	<u>16,464,077</u>
Depreciation					
At 31 March 2024	2,185,661	2,906,971	517,555	-	5,610,187
Charge for the period	617,476	897,730	205,948	-	1,721,154
Disposals	(633,989)	(308,067)	(83,149)	-	(1,025,205)
Impairment charge	462,235	89,543	4,045	-	555,823
At 30 March 2025	<u>2,631,383</u>	<u>3,586,177</u>	<u>644,399</u>	<u>-</u>	<u>6,861,959</u>
Net book value					
At 30 March 2025	<u>7,230,182</u>	<u>2,067,835</u>	<u>256,923</u>	<u>47,178</u>	<u>9,602,118</u>
At 30 March 2024	<u>6,856,636</u>	<u>2,088,261</u>	<u>276,485</u>	<u>670,421</u>	<u>9,891,803</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2025**

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, SW4 0JQ.

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

	2025 £	2024 £
Raw materials and consumables	<u>199,346</u>	<u>206,598</u>

15. Debtors

	2025 £	2024 £
Trade debtors	60,606	89,039
Other debtors	1,118,138	982,508
Prepayments	557,879	455,427
	<u>1,736,623</u>	<u>1,526,974</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2025

16. Cash

	2025 £	2024 £
Cash at bank and in hand	<u>712,864</u>	<u>673,803</u>

17. Creditors: amounts falling due within one year

	2025 £	2024 £
Bank loans	504,009	776,744
Other loans	-	800,000
Trade creditors	1,938,331	1,202,336
Amounts owed to group undertakings	78,831	78,831
Other taxation and social security	1,593,440	1,010,441
Other creditors	365,616	319,931
Accruals	1,881,648	1,702,398
	<u>6,361,875</u>	<u>5,890,681</u>

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

	2025 £	2024 £
Bank loans	2,234,128	1,877,868
Other loans	450,000	-
Other creditors	-	370,060
Accruals	1,585,833	1,211,178
	<u>4,269,961</u>	<u>3,459,106</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2025**

19. Loans

Analysis of the maturity of loans is given below:

	2025 £	2024 £
Amounts falling due within one year		
Bank loans	504,009	776,744
Other loans	-	800,000
	<u>504,009</u>	<u>1,576,744</u>
Amounts falling due 1-2 years		
Bank loans	462,579	395,655
Other loans	450,000	-
Amounts falling due 2-5 years		
Bank loans	1,716,395	1,117,593
Amounts falling due after more than 5 years		
Bank loans	55,154	364,620
	<u>3,188,137</u>	<u>3,454,612</u>

Other loans

Other loans is a £450,000 (2024: £800,000) unsecured loan from a related party (see note 26) for more details. Interest is payable quarterly at 8% p.a. The loan was drawn down in January 2022. It was due for repayment in January 2025, however in November 2024, the repayment date for the remaining loan balance was extended to 31 January 2027.

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.

Bank loans

Bank loans represent loans totaling £2,738,137 (2024: £2,654,612) from Barclays Bank Plc. £64,478 (2024: £558,401) of these loans are under the Coronavirus Business Interruption Loan Scheme (CBIL). The loans were drawn down between September 2018 and September 2024 and all have terms of 3 to 7 years from date of draw down and incur interest of base rate plus 3-4% p.a. Repayment is in installments over the term of the loans.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2025

20. Deferred taxation

	Period ended 30 March 2025 £	Year ended 31 March 2024 £
At beginning of year	(950,003)	(261,242)
Charged to profit or loss	(7,200)	(688,761)
At end of year	(957,203)	(950,003)

The provision for deferred taxation is made up as follows:

	2025 £	2024 £
Accelerated capital allowances	(1,112,495)	(1,126,067)
Short term timing differences	19,336	24,912
Losses and other deductions	135,956	151,152
	(957,203)	(950,003)

21. Share capital

	2025 £	2024 £
Allotted, called up and fully paid		
9,000 (2024: 9,000) ordinary shares of £0.01 each	90	90

22. 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 PERIOD ENDED 30 MARCH 2025**

23. Capital commitments

At 30 March 2025 the Company had capital commitments as follows:

	2025 £	2024 £
Contracted for but not provided in these financial statements	<u>51,616</u>	<u>615,394</u>

As at the year end the Company had contracted but not provided for services and materials in relation to two sites, one existing site in Farnham and one new site in Windsor.

24. 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 £173,538 (2024: £147,520). Contributions totaling £26,161 (2024: £35,573) were payable to the fund at the reporting date and are included in Other creditors.

25. Commitments under operating leases

At 30 March 2025 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2025 £	2024 £
Not later than 1 year	946,704	1,023,992
Later than 1 year and not later than 5 years	2,658,357	3,287,279
Later than 5 years	1,437,478	1,774,900
	<u>5,042,539</u>	<u>6,086,171</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2025**

26. Related party transactions

Included in Other debtors as at 30 March 2025 is £11,573 (2024: £76,677) due from an individual who is the ultimate controlling party. This amount is interest free. This debtor is driven from royalties earned of £823,094 (2024: £686,667), interest accrued on loaned amounts of £35,900 (2024: £64,000) and payments made.

Included within other loans is a £450,000 (2024: £800,000) loan from the same individual who is the ultimate controlling party. The loan was drawn down in January 2022 and was due for repayment after 36 months in January 2025. During the year, £350,000 was repaid and the repayment date was amended to 31 January 2027. Interest is payable quarterly at 8% p.a.

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 30 March 2025 is £nil (2024: £112,271) 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 £137,346 (2024: £91,259) and £37,298 (2024: £4,028) was owed as at 30 March 2025.

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 £81,412 were recharged in the year to 30 March 2025 (2024: £139,077). A total of £86,400 was paid for design services to this company (2024: £140,400).

A dividend of £285,000 was paid out to company shareholders in November 2024.

27. Controlling party

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

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