

Company Registration No. 03747469 (England and Wales)

**THE GENUINE DINING CO. LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED**  
**30 SEPTEMBER 2021**

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# THE GENUINE DINING CO. LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	L O Johnson C S Mitchell J C Ross T D Axe
<b>Company number</b>	03747469
<b>Registered office</b>	3rd Floor 86-90 Paul Street London EC2A 4NE
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

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# THE GENUINE DINING CO. LIMITED

## STRATEGIC REPORT

### FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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The directors present the strategic report for the period ended 30 September 2021.

#### **Fair review of the business and future developments**

The group consists of a core contract catering business and has subsidiaries in care home catering (Signature Dining Ltd) and 3 Sushi restaurants (Feng Sushi Ltd).

Group sales fell 25% on the previous year from £17,108,489 to £12,870,859. The fall in sales performance was in the business and industry sectors, which is wholly unsurprising given the amount of time office-based employees were either forced to work from home or advised to.

Social care grew 4% to £4,532,608 as the business was forced to focus its attention on the increased regulation around COVID 19, rather than have the capacity to focus on sales opportunities.

The sushi restaurants had a very strong year growing turnover 56% to £2,227,494. This was a direct impact of the UK being forced to work from home more than the previous year, which resulted in people spending more time in the home, where they are more inclined to look for takeaway food.

The turnover for the Genuine Dining brand fell by 46% year on year. Sales lines such as hospitality fell as much as 84% as restrictions in place for most of the year meant that the ability to sell hospitality was hugely limited. Genuine Dining still made a small operating profit although it was substantially down on the previous year.

Despite these heavy restrictions, EBITDA ("earnings before interest, tax, depreciation and amortisation") was £330,633 which was down by 29% on the previous year.

As is the case every year, the underlying core catering business portfolio is constantly reviewed, eliminating non-profit making contracts as well as trying to attract new ones. Despite the ongoing threat of Coronavirus, the business won 23 new contracts between May 2021 and the end of the financial year. Whilst not all these contracts were operational by the year end, their combined sales potential is almost double the decline seen in the last year.

Whilst Signature Dining was static in terms of growth in the previous year, the business has since added a large school feeding contract as well as a large cost-plus contract catering to 3 new sites. Both will see a strong sales improvement in the coming financial year.

The largest challenge that faced the business in the year was to balance the recruitment of new staff to match the sales income of new contracts. This challenge was made harder by the exodus of foreign employees from the UK, either because of Coronavirus or because of Brexit. Employees need to be found and then trained and put into units ahead of the unit trading and that can cause a loss ahead of the increased sales. This was evident in the second half of the previous year as the country opened up and has been the case again in December 2021 and January 2022, as the government advised people to work from home but without any support for the companies affected by the decision.

The business received a £475,000 Coronavirus Business Interruption Loan Scheme in February 2021 and redeemed £300,000 of shareholder preference shares in June 2021. The business remains in terms with its trade creditors but has put in place a payment plan with HMRC that has been agreed in writing for deferred PAYE payments.

Going forward, the business will continue to maintain its successful relationships with existing customers and suppliers. The business will strive to expand through winning further profitable contracts on the back of the reputation it has built up and Signature Dining will continue to be a growth brand within the portfolio. There will be a lot of opportunity in 2021/2022 driven off the back of decoupled relationships in the catering industry as well as companies who have not been able to survive.

# THE GENUINE DINING CO. LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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#### Principal risks and uncertainties

The directors consider that the principal risks to the business are as follows.

- Balance of workforce and their propensity to work from home
- Regulation
- Labour Market / Brexit
- Coronavirus (COVID 19)
- Inflation

#### *Workforce*

One risk that became more apparent during the Coronavirus outbreak was the propensity for employees to work from home. Any contract where a building begins to operate at a third of capacity has a detrimental impact on the profitability of that contract. The directors are confident that despite the drop in footfall in the core GDC contracts during the year, the business acted in an agile way to preserve EBITDA and maintain service levels and that the need for a catering option in office environments is as strong a benefit to the employee as it has ever been.

#### *Regulation*

The care home element of the business is rightly subject to strict regulation including food standards, food safety, and allergens and is regulated by the Care Quality Commission (CQC). The business has always operated in such an environment and the directors are confident in meeting any changes, but any change will always present a risk.

#### *Labour market / Brexit*

There are both the ever-increasing levels of minimum wage / living wage commitments alongside the impact that Brexit has had on the ability to recruit international employees in a simplistic nature. Our care homes have stringent right to work checks and have historically relied on international employees doing the less salubrious roles that many British based employees do not wish to do. The directors are, however, confident that labour market pressures can be absorbed with no deterioration in the service offer and the price point we offer to our customers.

We are happy to see our staff properly paid and have demonstrated that we are able to absorb this increase through organic growth and sensible productivity improvements. We are also content that the care home business requires stringent checks before our employees can work with the vulnerable.

#### *Coronavirus*

Over the past two years, the Coronavirus crisis represented a fundamental challenge to the industry and wider community which goes beyond financial consequences. When offices were closed, there were obvious implications around contract security as businesses considered whether maintaining a contract caterer was worthwhile.

However, we are grateful to have had loyal and understanding clients, a committed banking partner and highly supportive investors. Their support, together with the range of measures announced by the Government, meant that we were in a strong position to see the crisis through and rebuild quickly. Having worked our way through such times with the use of government grants for furloughed employees, extended credit terms from key suppliers and delayed HMRC payments, we are more experienced to combat future challenges as we transition to post pandemic times.

#### *Inflation*

At the time of writing this report food cost inflation is at 14% across our supplier base and that is helping drive overall inflation close to 10%. The increased cost of food has a direct impact on the profitability of the business but due to the heavy mix of cost-plus contracts, it does mean that to a large extent, the cost is passed on. Price rises have been implemented in fixed subsidy and commercial contracts. Whilst inflation is a worrying factor affecting the business, subsidised catering offers a cheaper meal than the employee buying it themselves and cooking at home. We believe in the coming months that workplace catering will offer a cheaper alternative to the home cooked meal.

# THE GENUINE DINING CO. LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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### **Going concern**

Going concern is discussed in more detail within the accounting policies. The Board has a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Financial risk management objectives and policies**

The group funds its operations through a bank loan of £475k repayable in 60 monthly instalments commencing January 2022, an annual overdraft facility of £250k that was renewed in June 2022, working capital and cash generated from day-to-day operations. The group does not use derivative financial instruments.

The main risks arising from the group's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

#### *Interest rate risk*

The group's loan and overdraft facilities attract an interest rate based on LIBOR. Management monitor cash flows carefully to ensure that there is sufficient headroom to allow for any changes in the interest payable on these loans.

#### *Liquidity risk*

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Primarily this is achieved through close management control of working capital and utilisation of existing debt facilities.

### **Key performance indicators**

The performance of the group is measured through the use of the following financial and non-financial key performance indicators: turnover defined as purchases plus labour plus overheads, contract retention, EBITDA (earnings before deduction of interest, tax, depreciation and amortisation) and net number of new contracts won.

On behalf of the board



.....  
C S Mitchell

**Director**

Date: 30/06/22  
.....

# THE GENUINE DINING CO. LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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The directors present their annual report and financial statements for the period ended 30 September 2021.

#### **Principal activities**

The principal activity of the company and group continued to be that of the provision of catering services.

#### **Results and dividends**

The results for the period are set out on page 11.

No ordinary dividends were paid.

#### **Directors**

*The directors who held office during the period and up to the date of signature of the financial statements were as follows:*

L O Johnson

C S Mitchell

J C Ross

T D Axe

(Appointed 16 February 2022)

#### **Qualifying third party indemnity provisions**

The group has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

#### **Disabled persons**

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 group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Employee involvement**

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

#### **Auditor**

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### **Strategic report**

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report, including future developments and financial risk management objectives and policies.

# THE GENUINE DINING CO. LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....  
C S Mitchell

Director

Date: 30/06/22 .....

# THE GENUINE DINING CO. LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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

Company law requires the directors to prepare group and company financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GENUINE DINING CO. LIMITED**

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## **Qualified Opinion**

We have audited the financial statements of The Genuine Dining Co. Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 September 2021 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

*In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph the financial statements:*

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2021 and of the group's profit 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 qualified opinion**

With respect to opening stock having a carrying amount of £185,839, the audit evidence available to us was limited because we were unable to observe the counting of physical stock as at 24 September 2020 due to Covid-19 government guidelines at that date which restricted access to third party facilities. Due to the ongoing restrictions post the comparative year end, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures. The audit opinion on the financial statements for the period ended 24 September 2020 was modified accordingly. Consequently, we were unable to determine whether there was any adjustment to this amount necessary as at 24 September 2020 or whether there was any consequential effect on the cost of sales for the period ended 30 September 2021. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and corresponding figures. In addition, were any adjustment to the stock balance be required, the strategic report would also need to be amended.

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

## **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 group's or the parent 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 AUDITOR'S REPORT TO THE MEMBERS OF THE GENUINE DINING CO. LIMITED (CONTINUED)**

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### **Other information**

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

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the stock quantities of £185,839 held as at 24 September 2020. We have concluded that where the other information refers to the stock balance as at 24 September 2020 or related balances such as cost of sales for the period ended 30 September 2021, it may be materially misstated for the same reason.

### **Opinions on other matters prescribed by the Companies Act 2006**

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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**

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Arising solely from the limitation on our work relating to stock referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept by the parent company.

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:

- returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GENUINE DINING CO. LIMITED (CONTINUED)

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### Auditor's responsibilities for the audit of the financial statements

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

### The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are as follows:

Legislation / Regulation	Audit procedures performed by the audit engagement team included:
FRS 102 and the Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation. Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Review of the Group's tax computations. Inspecting correspondence with external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are as follows:

Legislation / Regulation	Audit procedures performed by the audit engagement team included:
Food safety and hygiene	Carried out searches in respect of food hygiene ratings to identify any sites poorly rated and indication of potential breaches. Held discussions with management to consider their internal procedures in respect of food safety and hygiene regulations and to confirm whether there had been any reported significant breaches.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GENUINE DINING CO. LIMITED (CONTINUED)

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The group audit engagement team identified the following areas where the financial statements were most susceptible to material misstatement due to fraud:

<b>Risk</b>	<b>Audit procedures performed by the audit engagement team:</b>
Revenue recognition	Gained an understanding of the processes and controls operated over revenue recognition and performed walk through tests. Performed a 2-way match between the accounting records and cash receipts. Reviewed controls in place over weekly reconciliation of sales reports from contract catering management system to the accounting records. Reviewed sales by contract for any significant or unusual trends.
Management override of controls	Tested the appropriateness of journal entries and other adjustments. Assessed whether the judgements made in making accounting estimates are indicative of a potential bias. Evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

### 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

Paul Newman BSc ACA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
United Kingdom

30/06/22.....

# THE GENUINE DINING CO. LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2021

		Period ended 30 September 2021 £	Period ended 24 September 2020 £
	Notes		
Turnover	3	12,870,859	17,108,489
Cost of sales		(11,502,442)	(16,193,167)
<b>Gross profit</b>		<b>1,368,417</b>	<b>915,322</b>
Administrative expenses		(2,745,337)	(3,024,968)
Other operating income		1,618,853	2,440,947
<b>Operating profit</b>	<b>7</b>	<b>241,933</b>	<b>331,301</b>
Interest payable and similar expenses	9	(61,817)	(1,610)
<b>Profit before taxation</b>		<b>180,116</b>	<b>329,691</b>
Tax on profit	10	14,924	(68,918)
<b>Profit for the financial period</b>		<b>195,040</b>	<b>260,773</b>

Profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

**THE GENUINE DINING CO. LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Goodwill	11		48,164		56,727
Other intangible assets	11		52,569		58,609
Total intangible assets			100,733		115,336
Tangible assets	12		365,349		209,998
			466,082		325,334
<b>Current assets</b>					
Stocks	15	314,029		185,839	
Debtors	16	3,257,412		3,149,322	
Cash at bank and in hand		216,080		869,355	
			3,787,521		4,204,516
<b>Creditors: amounts falling due within one year</b>	17	(3,465,383)		(4,160,794)	
<b>Net current assets</b>			322,138		43,722
<b>Total assets less current liabilities</b>			788,220		369,056
<b>Creditors: amounts falling due after more than one year</b>	18		(520,414)		(300,000)
<b>Net assets</b>			267,806		69,056
<b>Capital and reserves</b>					
Called up share capital	23		13,710		10,000
Profit and loss reserves	24		254,096		59,056
<b>Total equity</b>			267,806		69,056

The financial statements were approved by the board of directors and authorised for issue on 30/06/22  
and are signed on its behalf by:



.....  
C S Mitchell  
Director

**THE GENUINE DINING CO. LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 24 SEPTEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	11	52,281		57,510	
Tangible assets	12	240,453		71,070	
Investments	13	651		651	
			293,385		129,231
<b>Current assets</b>					
Stocks	15	248,293		157,828	
Debtors	16	2,729,571		2,774,458	
Cash at bank and in hand		13,083		232,803	
			2,990,947		3,165,089
<b>Creditors: amounts falling due within one year</b>	17	(2,502,752)		(2,690,314)	
<b>Net current assets</b>			488,195		474,775
<b>Total assets less current liabilities</b>			781,580		604,006
<b>Creditors: amounts falling due after more than one year</b>	18		(520,414)		(300,000)
<b>Net assets</b>			261,166		304,006
<b>Capital and reserves</b>					
Called up share capital	23	13,710		10,000	
Profit and loss reserves	24	247,456		294,006	
<b>Total equity</b>			261,166		304,006

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £46,550 (2020 - £149,525 profit).

The financial statements were approved by the board of directors and authorised for issue on 30/06/22 and are signed on its behalf by:

.....  
C S Mitchell  
Director

# THE GENUINE DINING CO. LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 27 September 2019</b>		10,000	(1,111,717)	(1,101,717)
<b>Period ended 24 September 2020:</b>				
Profit and total comprehensive income for the period		-	260,773	260,773
Capital contribution		-	910,000	910,000
<b>Balance at 24 September 2020</b>		10,000	59,056	69,056
<b>Period ended 30 September 2021:</b>				
Profit and total comprehensive income for the period		-	195,040	195,040
Issue of share capital	23	3,710	-	3,710
<b>Balance at 30 September 2021</b>		13,710	254,096	267,806



# THE GENUINE DINING CO. LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 27 September 2019</b>		10,000	144,481	154,481
<b>Period ended 24 September 2020:</b>				
Profit and total comprehensive income for the period		-	149,525	149,525
<b>Balance at 24 September 2020</b>		10,000	294,006	304,006
<b>Period ended 30 September 2021:</b>				
Loss and total comprehensive income for the period		-	(46,550)	(46,550)
Issue of share capital	23	3,710	-	3,710
<b>Balance at 30 September 2021</b>		13,710	247,456	261,166

# THE GENUINE DINING CO. LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	25	(671,169)		(53,279)	
Interest paid		(58,107)		(1,610)	
Income taxes paid		-		(200)	
<b>Net cash outflow from operating activities</b>		<b>(729,276)</b>		<b>(55,089)</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(16,060)		(44,040)	
Purchase of tangible fixed assets		(47,565)		(24,084)	
Proceeds on disposal of tangible fixed assets		926		34,086	
<b>Net cash used in investing activities</b>		<b>(62,699)</b>		<b>(34,038)</b>	
<b>Financing activities</b>					
Repayment of preference shares		(300,000)		-	
Proceeds of new bank loans		475,000		100,000	
Repayment of bank loans		(100,000)		-	
Payment of finance leases obligations		(10,119)		-	
<b>Net cash generated from financing activities</b>		<b>64,881</b>		<b>100,000</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(727,094)</b>		<b>10,873</b>	
Cash and cash equivalents at beginning of period		869,355		858,482	
<b>Cash and cash equivalents at end of period</b>		<b>142,261</b>		<b>869,355</b>	
<b>Relating to:</b>					
Cash at bank and in hand		216,080		869,355	
Bank overdrafts included in creditors payable within one year		(73,819)		-	

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies

#### Company information

The Genuine Dining Co. Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 3rd Floor, 86-90 Paul Street, London, EC2A 4NE.

The group consists of The Genuine Dining Co. Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### Basis of consolidation

The consolidated financial statements incorporate those of The Genuine Dining Co. Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 September 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies (Continued)

#### Going concern

Covid-19 had a dramatic impact to the volume of business generated during an 18-month period between April 2020 and January 2022. Whilst the government supported businesses for a large proportion of that, it was the actual reopening of businesses in September 2021 that resulted in the largest losses over that entire period. The government's "work from home" message over Christmas 2021, without support for business, was also very unwelcome and generated a considerable loss over that 6-week period.

Signature Dining continued to operate all its contracts throughout the year and Feng Sushi traded throughout as well for dine-in customers but remained open for delivery. A number of government initiatives enabled us to reduce or defer costs including Business Rates Relief, the Coronavirus Job Retention Scheme (CJRS) and HMRC time to pay arrangements.

As set out in note 19 to the financial statements, the Group is funded by an overdraft facility of £250,000 that was renewed in June 2022 and a long term loan of £475,000 from Bank of Scotland plc, the principal lender to the Group. During the year, the Group repaid £300,000 of shareholder preference shares.

When assessing the ability of the Group to continue as a going concern, the directors have considered the Group's financing arrangements, the pattern of trading since the end of the year and future trading risks on the cashflows, liquidity and bank facilities available to the Group over the next 12-month period. At the point of signing of these financial statements, the business is now fully open and has won an additional £2m in new contracts that commence over the summer. The directors carefully monitor contracts on a monthly basis and are not averse to reducing the business risk where necessary.

Having assessed the financial forecasts, sensitivities and available funding facilities, the Board has a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the next twelve months from the date of approval of these financial statements and therefore they continue to adopt the going concern basis in preparing these accounts.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The group recognises revenue when all of the following conditions are satisfied:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the Company's activities.

Revenue from subsidy contracts comprises the total of sales made to customers and the subsidy and management fees charged to clients.

Revenue from commercial contracts comprises the total of sales made to customers, typically with little or no subsidy charged to clients.

Revenue from cost plus contracts comprises the total costs incurred within the period plus an agreed mark up.

Revenue from restaurant sales comprises takings registered at the point of sale through electronic tills, net of value added tax.

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies (Continued)

#### **Rebates and other amounts received from suppliers**

Rebates and other amounts received from suppliers include agreed discounts from suppliers' list prices, value and volume related rebates.

Income from value and volume related rebates is recognised based on actual purchases in the period as a proportion of total purchases made or forecast to be made over the rebate period.

#### **Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

#### **Intangible fixed assets other than goodwill**

*Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.*

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 years straight line
Other intangible assets	3 years straight line

#### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	7% - 33% straight line
Plant and equipment	10% - 20% straight line
Fixtures and fittings	20% - 25% straight line
Motor vehicles	4% - 33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies (Continued)

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Other financial assets**

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies (Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

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

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

#### ***Equity instruments***

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

#### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies (Continued)

#### **Deferred tax**

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### **Share-based payments**

The company participates in a share-based payment arrangement granted to its employees and employees of its subsidiaries. The company has elected to recognise and measure its share-based payment expense on the basis of a reasonable allocation of the expense for the group recognised in its consolidated accounts. The directors consider the number of unvested options granted to the company's employees compared to the total unvested options granted under the group plan to be a reasonable basis for allocating the expense.

The expense in relation to options over the company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### 1 Accounting policies (Continued)

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Provision for doubtful debts

Management reviews trade debtors on a regular basis and doubtful debts are provided for on the basis of expected recoverability based on credit ratings, knowledge of the customer, market conditions and previous experience.

#### Tax

Tax assets and liabilities represent management's estimate of tax that will be payable or recoverable in the future and may be dependent on estimates of future profitability. In addition, estimates have been made in respect of the probable future utilisation of tax losses and deferred tax assets have been recognised. The recoverability of these assets is dependent on the agreement of the losses with the relevant authorities and the estimates of future profitability.

#### Carrying value of investments in/loans made to subsidiary undertakings by The Genuine Dining Co. Limited

Management reviews the carrying value of the company's investment in and loans made to subsidiary undertakings based on forecasted trading results and cash flow projections.

### 3 Turnover and other revenue

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Contract catering	10,643,365	15,681,683
Restaurants	2,227,494	1,426,806
	<u>12,870,859</u>	<u>17,108,489</u>

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### 3 Turnover and other revenue (Continued)

	2021 £	2020 £
Within other operating income, the following amounts are included:		
Grants received	1,490,935	2,440,947

### 4 Employees

The average monthly number of persons (including directors) employed during the period was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Catering and other site staff	307	486	156	340
Head office and other support staff	21	21	16	16
Total	328	507	172	356

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	7,708,474	10,510,448	4,594,121	7,518,668
Social security costs	633,363	792,166	405,654	586,969
Pension costs	201,061	187,773	143,827	139,154
	8,542,898	11,490,387	5,143,602	8,244,791

### 5 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	213,141	174,903
Company pension contributions to defined contribution schemes	2,634	-
	215,775	174,903

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 0 (2020 - 1).

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### 5 Directors' remuneration (Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	120,250	90,403
Company pension contributions to defined contribution schemes	1,317	-

### 6 Share-based payment transactions

The Company had granted share options to a director which are only exercisable on disposal or flotation of the company. The share options granted were for up to a further 1,333 Ordinary B shares. No options are exercisable at an exit value below £3m, half of the options are exercisable at an exit value of £3m to £4m, and all of the options are exercisable at an exit value of £4m or above.

The weighted average exercise price of the share options was £1.40 per share and there were 1,333 share options outstanding at the end of the prior period.

The grant date was 28 April 2017 with an expiry date of 27 April 2027. These options were cancelled on 15 September 2021.

### 7 Operating profit

	2021 £	2020 £
Operating profit for the period is stated after charging/(crediting):		
Government grants	(1,490,935)	(2,440,947)
Depreciation of owned tangible fixed assets	58,037	97,741
Profit on disposal of tangible fixed assets	(415)	(11,800)
Amortisation of intangible assets	30,663	35,243
Operating lease charges	209,966	159,898

### 8 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	77,500	74,563

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### 9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	9,084	1,610
Other interest on financial liabilities	38,228	-
Other interest	14,505	-
Total finance costs	61,817	1,610

### 10 Taxation

	2021	2020
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	31,380
Adjustments in respect of prior periods	50	-
Total current tax	50	31,380
<b>Deferred tax</b>		
Origination and reversal of timing differences	(5,034)	51,927
Changes in tax rates	(9,940)	(8,760)
Adjustment in respect of prior periods	-	(5,629)
Total deferred tax	(14,974)	37,538
Total tax (credit)/charge	(14,924)	68,918

The total tax (credit)/charge for the period included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	180,116	329,691
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	34,222	62,641
Tax effect of expenses that are not deductible in determining taxable profit	2,756	2,056
Change in unrecognised deferred tax assets	23,885	36,259
Adjustments in respect of prior years	50	-
Group relief	(115)	-
Deferred tax adjustments in respect of prior years	(52)	(5,629)
Fixed asset differences	(9,830)	2,792
Adjust deferred tax to average rate of 19.00%	(65,840)	(29,201)
Taxation (credit)/charge	(14,924)	68,918

# **THE GENUINE DINING CO. LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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### **10 Taxation (Continued)**

The group has accumulated tax losses of £1.2m (2020: £1.2m) which are considered available to carry forward for offset against future trading profits. The directors have prepared forecasts which demonstrate it is probable that future taxable profits will be available to utilise £383k (2020: £194k) of these losses in the foreseeable future. They have therefore concluded that it would be appropriate to recognise a deferred tax asset of £96k (2020: £37k) in respect of these tax losses leaving an unprovided deferred tax asset of £212k (2020: £196k) in respect of tax losses that are unlikely to be utilised in the foreseeable future.

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### 11 Intangible fixed assets

Group	Goodwill	Software	Other intangible assets	Total
	£	£	£	£
<b>Cost</b>				
At 25 September 2020	85,627	117,644	1,000	204,271
Additions - separately acquired	-	16,060	-	16,060
At 30 September 2021	85,627	133,704	1,000	220,331
<b>Amortisation and impairment</b>				
At 25 September 2020	28,900	59,370	665	88,935
Amortisation charged for the period	8,563	21,900	200	30,663
At 30 September 2021	37,463	81,270	865	119,598
<b>Carrying amount</b>				
At 30 September 2021	48,164	52,434	135	100,733
At 24 September 2020	56,727	58,274	335	115,336
<b>Company</b>				<b>Software</b>
				£
<b>Cost</b>				
At 25 September 2020				114,589
Additions - separately acquired				16,060
At 30 September 2021				130,649
<b>Amortisation and impairment</b>				
At 25 September 2020				57,079
Amortisation charged for the period				21,289
At 30 September 2021				78,368
<b>Carrying amount</b>				
At 30 September 2021				52,281
At 24 September 2020				57,510

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### 12 Tangible fixed assets

Group	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 25 September 2020	166,980	284,377	87,749	54,690	593,796
Additions	-	9,829	18,304	185,766	213,899
Disposals	-	(3,831)	-	-	(3,831)
At 30 September 2021	166,980	290,375	106,053	240,456	803,864
<b>Depreciation and impairment</b>					
At 25 September 2020	36,019	217,240	78,013	52,526	383,798
Depreciation charged in the period	9,226	38,133	6,167	4,511	58,037
Eliminated in respect of disposals	-	(3,320)	-	-	(3,320)
At 30 September 2021	45,245	252,053	84,180	57,037	438,515
<b>Carrying amount</b>					
At 30 September 2021	121,735	38,322	21,873	183,419	365,349
At 24 September 2020	130,961	67,137	9,736	2,164	209,998
<b>Company</b>					
	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 25 September 2020	13,313	281,208	39,104	23,240	356,865
Additions	-	9,829	17,544	185,766	213,139
Disposals	-	(3,831)	-	-	(3,831)
At 30 September 2021	13,313	287,206	56,648	209,006	566,173
<b>Depreciation and impairment</b>					
At 25 September 2020	13,313	215,431	33,811	23,240	285,795
Depreciation charged in the period	-	37,499	3,399	2,347	43,245
Eliminated in respect of disposals	-	(3,320)	-	-	(3,320)
At 30 September 2021	13,313	249,610	37,210	25,587	325,720
<b>Carrying amount</b>					
At 30 September 2021	-	37,596	19,438	183,419	240,453
At 24 September 2020	-	65,777	5,293	-	71,070

The net book value of motor vehicles includes £164,116 (2020: £nil) in respect of assets held under finance leases.

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### 13 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	14	-	-	651	651

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 25 September 2020 and 30 September 2021	651
<b>Carrying amount</b>	
At 30 September 2021	651
At 24 September 2020	651

### 14 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Feng Sushi Limited (Registered no. 03720871)	As parent	Restaurants	Ordinary	100.00
Signature Dining Limited (Registered no. 10536082)	As parent	Care home catering	Ordinary	100.00
Honest Dining Limited (Registered no. 10832570)	As parent	Non-trading	Ordinary	100.00

For the period ending 30 September 2021 all subsidiaries were entitled to exemption from audit under section 479A of the Companies act 2006.

### 15 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Finished goods and goods for resale	314,029	185,839	248,293	157,828



# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### 16 Debtors

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	1,552,736	1,516,292	1,239,744	1,160,260
Amounts owed by group undertakings	-	-	7,287	553,523
Other debtors	539,650	755,264	422,774	520,452
Prepayments and accrued income	1,118,097	845,811	605,852	508,740
	<u>3,210,483</u>	<u>3,117,367</u>	<u>2,275,657</u>	<u>2,742,975</u>
<b>Amounts falling due after more than one year:</b>				
Amounts owed by group undertakings	-	-	408,982	-
Deferred tax asset (note 21)	46,929	31,955	44,932	31,483
	<u>46,929</u>	<u>31,955</u>	<u>453,914</u>	<u>31,483</u>
<b>Total debtors</b>	<u>3,257,412</u>	<u>3,149,322</u>	<u>2,729,571</u>	<u>2,774,458</u>

### 17 Creditors: amounts falling due within one year

		<b>Group</b>		<b>Company</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	19	145,069	100,000	145,068	-
Obligations under finance leases	20	39,551	-	39,551	-
Trade creditors		1,459,403	1,289,989	858,048	639,643
Amounts owed to group undertakings		-	-	127,822	-
Corporation tax payable		31,230	31,180	-	-
Other taxation and social security		1,382,079	1,735,965	1,092,982	1,418,032
Other creditors		46,738	739,655	7,910	493,630
Accruals and deferred income		361,313	264,005	231,371	139,009
		<u>3,465,383</u>	<u>4,160,794</u>	<u>2,502,752</u>	<u>2,690,314</u>

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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

		Group 2021 £	2020 £	Company 2021 £	2020 £
	Notes				
Bank loans and overdrafts	19	403,750	-	403,750	-
Obligations under finance leases	20	116,664	-	116,664	-
Other borrowings	19	-	300,000	-	300,000
		<u>520,414</u>	<u>300,000</u>	<u>520,414</u>	<u>300,000</u>

Prior year other borrowings related to £300,000 of preference shares that were repaid with interest in July 2021.

### 19 Borrowings

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	475,000	100,000	475,000	-
Bank overdrafts	73,819	-	73,818	-
Preference shares	-	300,000	-	300,000
	<u>548,819</u>	<u>400,000</u>	<u>548,818</u>	<u>300,000</u>
Payable within one year	145,069	100,000	145,068	-
Payable after one year	403,750	300,000	403,750	300,000

Bank loans of £100,000 were repaid in February 2021 out of a new loan of £475,000 from Bank of Scotland plc under the Coronavirus Business Interruption Loan Scheme ("CBILS"). The CBILS loan is repayable in 60 monthly instalments of £7,917 commencing January 2022. Interest is payable at 2.45% over Base Rate. Banks Loans and overdrafts are secured by a fixed and floating charge on all assets of the Group.

### 20 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Less than one year	39,551	-	39,551	-
Between one and five years	116,664	-	116,664	-
	<u>156,215</u>	<u>-</u>	<u>156,215</u>	<u>-</u>

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### 20 Finance lease obligations (Continued)

Finance lease obligations represent rentals payable by the company or group for certain motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Finance lease obligations are secured on the related assets and bear finance charges at a fixed rate of 6.2%.

### 21 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	<b>Assets 2021 £</b>	<b>Assets 2020 £</b>
<b>Group</b>		
Accelerated capital allowances	(55,934)	(9,532)
Short term timing differences	6,972	4,716
Tax losses	95,739	36,771
(Over)/under provided	152	-
	<u>46,929</u>	<u>31,955</u>
	<b>Assets 2021 £</b>	<b>Assets 2020 £</b>
<b>Company</b>		
Accelerated capital allowances	(55,752)	(9,274)
Short term timing differences	4,793	3,986
Tax losses	95,739	36,771
(Over)/under provided	152	-
	<u>44,932</u>	<u>31,483</u>
	<b>Group 2021 £</b>	<b>Company 2021 £</b>
<b>Movements in the period:</b>		
Asset at 25 September 2020	(31,955)	(31,483)
Credit to profit or loss	(14,974)	(13,449)
Asset at 30 September 2021	<u>(46,929)</u>	<u>(44,932)</u>

The deferred tax asset set out above is expected to reverse in greater than 1 year from the balance sheet date and relates to the utilisation of tax losses against future expected profits of the same period.

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### 22 Retirement benefit schemes

	2021	2020
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	201,061	187,773

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the year end the company is committed to make £30,071 of pension contributions for its employees. These are included within short term accruals.

### 23 Share capital

	Group and Company			
	2021	2020	2021	2020
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
A Ordinary shares of £1 each	7,500	7,500	7,500	7,500
B Ordinary shares of £1 each	5,210	1,500	5,210	1,500
C Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<u>13,710</u>	<u>10,000</u>	<u>13,710</u>	<u>10,000</u>

The A,B and C class of Ordinary shares rank pari passu and carry voting rights, entitling the holder to dividends and a distribution upon winding up.

On 15 September 2021, 3,710 B Ordinary Shares, at £1 each, were issued at par. These remain unpaid at the year end.

### 24 Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### 25 Cash absorbed by group operations

	2021 £	2020 £
Profit for the period after tax	195,040	260,773
<b>Adjustments for:</b>		
Taxation (credited)/charged	(14,924)	68,918
Finance costs	61,817	1,610
Gain on disposal of tangible fixed assets	(415)	(11,800)
Amortisation and impairment of intangible assets	30,663	35,243
Depreciation and impairment of tangible fixed assets	58,037	97,741
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(128,190)	78,649
(Increase)/decrease in debtors	(93,116)	587,509
Decrease in creditors	(780,081)	(1,171,922)
<b>Cash absorbed by operations</b>	<b>(671,169)</b>	<b>(53,279)</b>

### 26 Analysis of changes in net funds/(debt) - group

	25 September 2020 £	Cash flows £	Other non- cash changes £	30 September 2021 £
Cash at bank and in hand	869,355	(653,275)	-	216,080
Bank overdrafts	-	(73,819)	-	(73,819)
	869,355	(727,094)	-	142,261
Borrowings excluding overdrafts	(400,000)	(75,000)	-	(475,000)
Obligations under finance leases	-	10,119	(166,334)	(156,215)
	469,355	(791,975)	(166,334)	(488,954)

### 27 Financial commitments, guarantees and contingent liabilities

#### Guarantees

The Company has provided its subsidiaries with a parent guarantee to enable the subsidiaries to be exempt from audit. This guarantee covers all liabilities of the subsidiaries at 30 September 2021.

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

### 28 Operating lease commitments

#### Lessee

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

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	222,850	157,348	100,000	34,498
Between one and five years	571,088	481,088	90,000	-
In over five years	323,400	405,000	-	-
	<u>1,117,338</u>	<u>1,043,436</u>	<u>190,000</u>	<u>34,498</u>

### 29 Related party transactions

#### Transactions with related parties

During the period the group entered into the following transactions with related parties:

	<b>Sales</b>		<b>Purchases</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Group</b>				
Entities under common control	<u>212,191</u>	<u>849,773</u>	<u>2,486</u>	<u>98,718</u>
<b>Company</b>				
Entities under common control	<u>212,191</u>	<u>849,773</u>	<u>2,486</u>	<u>98,718</u>

The following amounts were outstanding at the reporting end date:

<b>Amounts due to related parties</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Entities under common control	<u>872</u>	<u>8,155</u>
<b>Company</b>		
Entities under common control	<u>872</u>	<u>8,155</u>

# THE GENUINE DINING CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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### 29 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021 Balance £	2020 Balance £
<b>Group</b>		
Entities under common control	416,930	674,123
	<u>          </u>	<u>          </u>
<b>Company</b>		
Entities under common control	416,930	674,123
	<u>          </u>	<u>          </u>

Management have assessed that there are no members of key management personnel outside of the directors, whose remuneration is disclosed in Note 5.

### 30 Directors' transactions

During the prior year a director held £300,000 of preference shares which were included in other long term creditors. During the year these were repaid with interest for total consideration of £338,228.

### 31 Controlling party

The ultimate controlling party of the company is Mr L O Johnson by virtue of his majority shareholding.

### 32 Post balance sheet events

Post year-end, The Genuine Dining Co. Limited acquired 100% of the share capital of The Admiral Crichton Events Ltd for nominal consideration.