

AMENDED

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
FOR
RACINE RESTAURANTS LIMITED

Ashford Louis
Chartered Certified Accountants
& Statutory Auditors
187 High Road Leyton
London
E15 2BY

FRIDAY



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26/08/2022
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FOR THE YEAR ENDED 30 JUNE 2021

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RACINE RESTAURANTS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS:

Mrs A C Miller-Salame
Ms S Sedghi

REGISTERED OFFICE:

42 Hans Crescent
London
SW1X 0LZ

REGISTERED NUMBER:

07457948 (England and Wales)

AUDITORS:

Ashford Louis
Chartered Certified Accountants
& Statutory Auditors
187 High Road Leyton
London
E15 2BY

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The directors present their strategic report of the company and the group for the year ended 30 June 2021.

REVIEW OF BUSINESS

The period 2020/21 has been an extremely difficult period for the hospitality industry, which has arguably been more affected by the repercussions of Covid-19 pandemic than almost any other sector.

Our reported results to 30 June 2021 reflect the closure of 'dine-in' in some of our venues following Government advice since third week of March 2020 which continued into the year 30 June 2021. Despite this, the Group's leadership acted with pace to protect the business and have rigorously and diligently executed a series of actions to ensure that we remain well positioned to rebuild trading momentum once restrictions are lifted in the medium-term and to leverage potential market opportunities in the long-term.

During the year, four new venues were added to the Group portfolio in Carnaby Street and Wardour Street in London successfully and the Group secured the leases / agreements for further openings in Heathrow Terminal 3 air side and a site in Edinburgh.

The Group also provided management consultancies to expand on the international franchise during the year under EL&N International Limited and EL&N Retail Limited both of which have become part of the Group during the year. To strengthen the position of the Group, the board has appointed Sarah Sedghi as a Director during the year, this has brought in more hands for support which is needed as the business expands further. Sarah Sedghi brings in specialist expertise which will further consolidate the Groups position.

Despite the difficult trading environment during the year and the unprecedented COVID-19 pandemic, Group leadership is pleased to report Group's turnover of £8.44M (2020: £9.07M) and pre-tax profit for the year of £1.26M (2020: £1.02M).

The Management considers this performance to be extremely positive, given the underlying difficult trading conditions being experienced due to the outbreak of the Covid-19 pandemic. Our priority throughout the pandemic has been the safety of our staff and customers. The Group's leadership has continued to keep the progress of the Group activities under scrutiny. The Group continues to invest in technology, human resources, marketing and branding thereby achieving desirable growth on a year-on-year basis. The Groups' result improved immensely over last year in terms of profitability. This is mainly due to the improvements in sales through new marketing channels adding retail of EL&N branded products, offering online bespoke celebration cakes to wider public and providing management consultancy services to the newly acquired franchise partners.

COVID-19 outbreak brought in many challenges for the business. Support from the government in terms of furlough grants, "Time of Pay" schemes, VAT deferment, Business rates holidays and accessing local authority business grants greatly helped the business to weather this period of economic uncertainty. Support was extended also from suppliers and the landlords in the form of rent-free period during lockdowns and further concessions to weather the pandemic storm.

To strengthen our liquidity, we also secured a £1.6M CBIL loan from HSBC, during the year.

The Group now employs approximately 246 people and without the support of our people it would not have been possible to sail through this most challenging period. We sincerely thank each and every one of our team members to be supportive of the Group.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Key performance indicators:

The main performance indicators of turnover, gross profit and net profit after taxation communicate the financial performance of the group. The Group's growth has continued, Turnover declined slightly by 6.87%, Gross profit by 12.77%, however, operating profit increased by 21.37% and net profit by 29.92% as compared to 2020, the Group has achieved overall growth over the period due to customer loyalty and retention.

Financial risk management objectives and policies:

The Group has always funded its operations from its own generated cash resources. Trade debtors are managed by credit and cash flow risk policies concerning the amount of credit offered to customers as well as regular monitoring of amounts outstanding. Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

Employees:

The Group's employment policy is to provide equal opportunity to all current and prospective employees without any discrimination. We provide work environment in which all individuals are treated with respect and dignity.

Social, environment and ethical matters:

The Group believes that by operating in an ethical and socially aware manner will help preserve the environment. It is an integral part of efficient and profitable business management. The Director recognises that success in these areas depends on the involvement and commitment of everyone in the organisation. The Group places a huge emphasis on sourcing products which are environmentally friendly and helps to reduce carbon footprint, the brand believes in sustainability and promotes this by working with suppliers who share the same beliefs, the Group has stringent processes in place to promote environmentally friendly solutions.

Economic risk:

The Management has identified and evaluated risks and uncertainties and has controls in place to mitigate these. Responsibility for management of each key risk is identified and delegated. The Group is exposed to the risks of the economic downturn that could lower the Group's revenues and operating results in the future, especially with the recent outbreak of COVID-19. However, actions continue to be taken to maximise the Group's performance in all aspects of the business.

Health And Safety:

The Group recognises the significance of health and safety in the workplace to ensure its work force is free from risk, through investment in training and education in the occupational health and safety field. We recognise that our employees play an integral part in the provision of safe workplace and undertake to provide such information, training and supervision as they need for purpose. In addition, we continue to consult with our employees on matters affecting their health and safety.

Future developments:

The Group expects to grow organically throughout the 2021/2022 by investing in its existing product range, and by developing new products and opening new sites. The expected growth will be financed using retained profits from previous trading years and from private investments.

The Group is also expanding internationally through acquisition of EL&N International Limited and EL&N Retail Ltd, this is part of the groups aim to diversify into different markets due to the ongoing demand and to bring in additional streams of revenue into the group. This will bring in additional revenue in the form of royalties and franchise fees to further support the business. During the year, the Group welcomed new franchise partners from Kuwait, Bahrain, Qatar, Kingdom of Saudi Arabia (KSA) and couple other countries.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

As we look forward, despite all the challenges of the pandemic, the business is very well positioned to deliver long-term shareholder value.

The Board is encouraged by the welcome news of the success of the vaccination programme where currently 54.4% of the UK population is fully vaccinated and is confident that the actions that we have taken provide us with strong foundations to emerge as one of the long-term winners as now restrictions fully lifted.

ON BEHALF OF THE BOARD:



.....
Mrs A C Miller-Salame - Director

Date: 24/08/22
.....

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2021.

DIVIDENDS

An interim dividend of £110.025 per share was paid on 28 June 2021. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 June 2021 will be £110,025.

DIRECTORS

Mrs A C Miller-Salame has held office during the whole of the period from 1 July 2020 to the date of this report.

Other changes in directors holding office are as follows:

Ms S Sedghi - appointed 19 October 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 the group 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 company will continue in business.

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

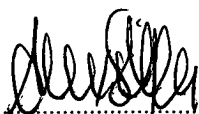
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Ashford Louis, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mrs A C Miller-Salame - Director

Date: 24/08/22
.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RACINE RESTAURANTS LIMITED

Opinion

We have audited the financial statements of Racine Restaurants Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 June 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 and 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.

Emphasis of matter

We draw your attention to the going concern issue indicated in **Note 25** to the financial statements. While drawing your attention to this note, we want to state that our audit opinion is not modified in respect of the matter emphasised.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RACINE RESTAURANTS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RACINE RESTAURANTS LIMITED

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 a Report of the Auditors 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

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:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and its subsidiaries and the group as a whole.
- We obtained an understanding of how the company and its subsidiaries comply with these requirements by discussions with management and those charged with governance.
- We inquired from management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. We designed our audit procedures to identify instances of non-compliance throughout the audit and remained alert to instances of non-compliance throughout the audit.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

Due to 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. However, the primary responsibility for prevention and detection of fraud rests with both management and those charged with governance of the company.

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RACINE RESTAURANTS LIMITED

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

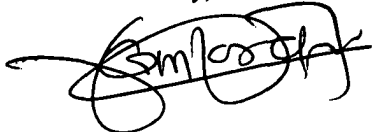
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Report of the Auditors.

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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 a Report of the Auditors 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.



Hayford Doh FCCA MBA BA(Hons) (Senior Statutory Auditor)

for and on behalf of Ashford Louis

Chartered Certified Accountants

& Statutory Auditors

187 High Road Leyton

London

E15 2BY

Date: 24/08/2022

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	30.6.21 £	30.6.20 £
TURNOVER	3	8,441,971	9,065,469
Cost of sales		2,568,085	2,331,578
GROSS PROFIT		5,873,886	6,733,891
Administrative expenses		7,205,628	6,559,224
		(1,331,742)	174,667
Other operating income		2,587,787	860,214
OPERATING PROFIT	5	1,256,045	1,034,881
Interest receivable and similar income		27,860	19,116
		1,283,905	1,053,997
Interest payable and similar expenses	6	27,397	29,709
PROFIT BEFORE TAXATION		1,256,508	1,024,288
Tax on profit	7	(74,271)	-
PROFIT FOR THE FINANCIAL YEAR		1,330,779	1,024,288
Profit attributable to: Owners of the parent		1,330,779	1,024,288

The notes form part of these financial statements

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	30.6.21 £	30.6.20 £
PROFIT FOR THE YEAR		1,330,779	1,024,288
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,330,779</u>	
Prior year adjustment			<u>(91,938)</u>
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT			<u>932,350</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,330,779</u>	<u>932,350</u>

The notes form part of these financial statements

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

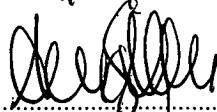
CONSOLIDATED BALANCE SHEET

30 JUNE 2021

	Notes	30.6.21 £	30.6.20 £
FIXED ASSETS			
Intangible assets	10	522,267	735,511
Tangible assets	11	6,296,568	5,822,160
Investments	12	-	-
		<u>6,818,835</u>	<u>6,557,671</u>
CURRENT ASSETS			
Stocks	13	548,461	125,602
Debtors	14	4,749,747	2,083,440
Cash at bank and in hand		1,254,777	182,553
		<u>6,552,985</u>	<u>2,391,595</u>
CREDITORS			
Amounts falling due within one year	15	5,304,378	2,795,181
NET CURRENT ASSETS/(LIABILITIES)		<u>1,248,607</u>	<u>(403,586)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,067,442</u>	<u>6,154,085</u>
CREDITORS			
Amounts falling due after more than one year	16	(4,896,772)	(4,204,169)
PROVISIONS FOR LIABILITIES	19	(1,295)	(1,295)
NET ASSETS		<u><u>3,169,375</u></u>	<u><u>1,948,621</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	1,000	1,000
Retained earnings	21	3,168,375	1,947,621
SHAREHOLDERS' FUNDS		<u><u>3,169,375</u></u>	<u><u>1,948,621</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

24/08/22



.....
Mrs A C Miller-Salame - Director

The notes form part of these financial statements

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

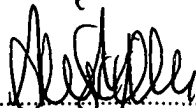
COMPANY BALANCE SHEET

30 JUNE 2021

	Notes	30.6.21 £	£	30.6.20 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12		1,176,500		1,176,200
			<u>1,176,500</u>		<u>1,176,200</u>
CURRENT ASSETS					
Debtors	14	9,898,989		6,891,050	
Cash at bank		<u>16,600</u>		<u>653</u>	
		9,915,589		6,891,703	
CREDITORS					
Amounts falling due within one year	15	<u>3,735,093</u>		<u>2,597,483</u>	
NET CURRENT ASSETS			<u>6,180,496</u>		<u>4,294,220</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,356,996		5,470,420
CREDITORS					
Amounts falling due after more than one year	16		<u>5,924,961</u>		<u>4,204,169</u>
NET ASSETS			<u>1,432,035</u>		<u>1,266,251</u>
CAPITAL AND RESERVES					
Called up share capital	20		1,000		1,000
Share premium	21		254,513		254,513
Retained earnings	21		<u>1,176,522</u>		<u>1,010,738</u>
SHAREHOLDERS' FUNDS			<u>1,432,035</u>		<u>1,266,251</u>
Company's profit for the financial year			<u>275,809</u>		<u>736,957</u>

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

24/08/22



.....
Mrs A C Miller-Salame - Director

The notes form part of these financial statements

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2019	1,000	1,015,271	1,016,271
Prior year adjustment	-	(91,938)	(91,938)
As restated	1,000	923,333	924,333
Changes in equity			
Total comprehensive income	-	1,024,288	1,024,288
Balance at 30 June 2020	1,000	1,947,621	1,948,621
Changes in equity			
Dividends	-	(110,025)	(110,025)
Total comprehensive income	-	1,330,779	1,330,779
Balance at 30 June 2021	1,000	3,168,375	3,169,375

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 July 2019	1,000	273,781	254,513	529,294
Changes in equity				
Total comprehensive income	-	736,957	-	736,957
Balance at 30 June 2020	1,000	1,010,738	254,513	1,266,251
Changes in equity				
Dividends	-	(110,025)	-	(110,025)
Total comprehensive income	-	275,809	-	275,809
Balance at 30 June 2021	1,000	1,176,522	254,513	1,432,035

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	30.6.21 £	30.6.20 £
Cash flows from operating activities			
Cash generated from operations	1	(936,314)	1,469,187
Interest paid		(27,397)	(29,709)
Tax paid		114,761	(6,091)
Net cash from operating activities		<u>(848,950)</u>	<u>1,433,387</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		147,198	-
Purchase of tangible fixed assets		(1,677,865)	(2,265,789)
Sale of tangible fixed assets		127,772	89,425
Interest received		27,860	19,116
Net cash from investing activities		<u>(1,375,035)</u>	<u>(2,157,248)</u>
Cash flows from financing activities			
New loans in year		1,649,113	-
Other loan repayments in year		(626,510)	-
Amount withdrawn by directors		1,264	53,213
Government grants		2,382,367	852,334
Equity dividends paid		(110,025)	-
Net cash from financing activities		<u>3,296,209</u>	<u>905,547</u>
Increase in cash and cash equivalents		<u>1,072,224</u>	<u>181,686</u>
Cash and cash equivalents at beginning of year	2	182,553	867
Cash and cash equivalents at end of year	2	<u><u>1,254,777</u></u>	<u><u>182,553</u></u>

The notes form part of these financial statements

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.6.21	30.6.20
	£	£
Profit before taxation	1,256,508	1,024,288
Depreciation charges	1,141,614	839,347
Loss on disposal of fixed assets	-	138,561
Government grants	(2,382,387)	(852,334)
Finance costs	27,397	29,709
Finance income	(27,860)	(19,116)
	<u>15,272</u>	<u>1,160,455</u>
Increase in stocks	(422,859)	(65,962)
Increase in trade and other debtors	(2,666,307)	(90,326)
Increase in trade and other creditors	<u>2,137,580</u>	<u>465,020</u>
Cash generated from operations	<u><u>(936,314)</u></u>	<u><u>1,469,187</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2021

	30.6.21	1.7.20
	£	£
Cash and cash equivalents	<u>1,254,777</u>	<u>182,553</u>

Year ended 30 June 2020

	30.6.20	1.7.19
	£	£
Cash and cash equivalents	<u>182,553</u>	<u>867</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.20	Cash flow	At 30.6.21
	£	£	£
Net cash			
Cash at bank and in hand	<u>182,553</u>	<u>1,072,224</u>	<u>1,254,777</u>
	<u>182,553</u>	<u>1,072,224</u>	<u>1,254,777</u>
Debt			
Debts falling due within 1 year	-	(330,000)	(330,000)
Debts falling due after 1 year	<u>(4,204,169)</u>	<u>(692,603)</u>	<u>(4,896,772)</u>
	<u>(4,204,169)</u>	<u>(1,022,603)</u>	<u>(5,226,772)</u>
Total	<u><u>(4,021,616)</u></u>	<u><u>49,621</u></u>	<u><u>(3,971,995)</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. STATUTORY INFORMATION

Racine Restaurants Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements 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.

(i) Critical judgement in applying the Group's accounting policies:

The director believes that there are no critical judgements involved in applying the Company's accounting period

(ii) Key accounting estimates and assumptions:

The director believes that there are no key accounting estimates and assumptions involved in applying the Group's accounting policies that warrant disclosure.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax. The total turnover of the Group and the subsidiary companies for the year has been derived from the provision of goods and services falling within the Group and subsidiary companies' principal activities.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2017, is being amortised evenly over its estimated useful life of ten years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of nil years.

Tangible fixed assets

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

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

Government grants

Government grants received are credited to income and relevant portion credited deferred income where applicable. Grants towards capital expenditure are released to the income statement over the expected useful life of the assets. Grants received towards revenue expenditure are released to the income statement as the related expenditure is incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from bank and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year) including loans and other accounts receivables and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest rate method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or order consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an outright short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at the market rates of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company or a public benefit entity concessionary loan.

Investments in a non-derivative instrument that are equity to the issuer are measured at:

" fair value which change is recognised in the statement of comprehensive income if the shares are publicly traded or they are otherwise reliably measurable, " at a cost less impairment of all other investments.

Financial assets that are measured at cost and amortised are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the assets if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position where there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liability simultaneously.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. **TURNOVER**

The total Turnover of the Group for the year has been derived from the group's principal activities wholly undertaken in the UK. Sale of goods and services £8,441,971 (2020 : £9,065,469).

4. **EMPLOYEES AND DIRECTORS**

	30.6.21	30.6.20
	£	£
Wages and salaries	2,920,502	2,840,937
Social security costs	195,710	160,673
Other pension costs	46,761	45,326
	<u>3,162,973</u>	<u>3,046,936</u>

The average number of employees during the year was as follows:

	30.6.21	30.6.20
Production and sale	234	160
Senior management	12	11
	<u>246</u>	<u>171</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 246 (2020 - 171).

	30.6.21	30.6.20
	£	£
Directors' remuneration	<u>66,667</u>	<u>41,188</u>

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

5. OPERATING PROFIT

The operating profit is stated after charging:

	30.6.21	30.6.20
	£	£
Other operating leases	516	3,826
Depreciation - owned assets	1,075,685	747,407
Loss on disposal of fixed assets	-	138,561
Goodwill amortisation	66,046	91,938
Auditors' remuneration	34,000	30,000
Foreign exchange differences	3,091	-
	<u> </u>	<u> </u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.21	30.6.20
	£	£
Bank interest	347	676
Other interest charges	16,064	23,269
Fines and penalties	10,986	5,764
	<u> </u>	<u> </u>
	<u>27,397</u>	<u>29,709</u>

7. TAXATION

Analysis of the tax credit

The tax credit on the profit for the year was as follows:

	30.6.21	30.6.20
	£	£
Current tax:		
UK corporation tax	(74,271)	-
	<u> </u>	<u> </u>
Tax on profit	(74,271)	-
	<u> </u>	<u> </u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	30.6.21	30.6.20
	£	£
Ordinary shares shares of £1 each		
Interim	110,025	-
	<u> </u>	<u> </u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Development costs £	Totals £
COST			
At 1 July 2020	919,387	-	919,387
Additions	(172,614)	25,416	(147,198)
At 30 June 2021	<u>746,773</u>	<u>25,416</u>	<u>772,189</u>
AMORTISATION			
At 1 July 2020	183,876	-	183,876
Amortisation for year	66,046	-	66,046
At 30 June 2021	<u>249,922</u>	<u>-</u>	<u>249,922</u>
NET BOOK VALUE			
At 30 June 2021	<u>496,851</u>	<u>25,416</u>	<u>522,267</u>
At 30 June 2020	<u>735,511</u>	<u>-</u>	<u>735,511</u>

11. TANGIBLE FIXED ASSETS

Group

	Short leasehold £	Improvements to property £	Plant and machinery £
COST			
At 1 July 2020	1,400,937	3,719,166	941,046
Additions	43,623	1,200,152	247,358
Disposals	-	-	(125,558)
At 30 June 2021	<u>1,444,560</u>	<u>4,919,318</u>	<u>1,062,846</u>
DEPRECIATION			
At 1 July 2020	333,950	529,404	217,253
Charge for year	122,945	658,487	137,904
Eliminated on disposal	-	-	-
At 30 June 2021	<u>456,895</u>	<u>1,187,891</u>	<u>355,157</u>
NET BOOK VALUE			
At 30 June 2021	<u>987,665</u>	<u>3,731,427</u>	<u>707,689</u>
At 30 June 2020	<u>1,066,987</u>	<u>3,189,762</u>	<u>723,793</u>

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

11. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 July 2020	1,372,867	171,406	7,605,422
Additions	92,958	93,774	1,677,865
Disposals	-	(2,331)	(127,889)
At 30 June 2021	<u>1,465,825</u>	<u>262,849</u>	<u>9,155,398</u>
DEPRECIATION			
At 1 July 2020	593,309	109,346	1,783,262
Charge for year	136,466	19,883	1,075,685
Eliminated on disposal	-	(117)	(117)
At 30 June 2021	<u>729,775</u>	<u>129,112</u>	<u>2,858,830</u>
NET BOOK VALUE			
At 30 June 2021	<u>736,050</u>	<u>133,737</u>	<u>6,296,568</u>
At 30 June 2020	<u>779,558</u>	<u>62,060</u>	<u>5,822,160</u>

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 July 2020	1,176,200
Additions	300
At 30 June 2021	<u>1,176,500</u>
NET BOOK VALUE	
At 30 June 2021	<u>1,176,500</u>
At 30 June 2020	<u>1,176,200</u>

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30 JUNE 2021**12. FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Name of Subsidiary	Registered Office Address	Nature of Business	Interest & Shareholding
Park Lane Patisserie Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Leasing and renting of commercial properties	100% Ordinary shares
Oratoire Limited	42 Hans Crescent, London, SW1X 0LX . UK	Leasing and renting of commercial properties	100% Ordinary shares
Park Lane Food Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Cafe and restaurant	100% Ordinary shares
Pomenta Limited	239 Brompton Road, London. UK	Cafe and restaurant	100% Ordinary shares
Elan Speciality Coffee Ltd	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Cafe and restaurant	100% Ordinary shares
Market Place Patisserie Ltd	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Leasing and renting of commercial properties	100% Ordinary shares
Market Place Food Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Cafe and restaurant	100% Ordinary shares
Hans Crescent Patisserie Ltd	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Leasing and renting of commercial properties	100% Ordinary shares
Hans Crescent Food Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Cafe and restaurant	100% Ordinary shares
Lowndes Street Patisserie Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Leasing and renting of commercial properties	100% Ordinary shares
Lowndes Street Food Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Cafe and restaurant	100% Ordinary shares
EL&N Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Head Office and online sales	100% Ordinary shares
EL&N Speciality Coffee Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Cafe and restaurant	100% Ordinary shares
EL&N Mobile Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Cafe and restaurant	100% Ordinary shares
Oxfordshire Patisserie Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Leasing and renting of commercial properties	100% Ordinary shares
Carnaby Street Patisserie Ltd	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Leasing and renting of commercial properties	100% Ordinary shares

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

12. FIXED ASSET INVESTMENTS - continued

EL&N London Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Cafe and restaurant	100% Ordinary shares
Wardour Street Food Ltd	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Cafe and restaurant	100% Ordinary shares
St Pancras Patisseries Ltd	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Leasing and renting of commercial properties	100% Ordinary shares
Wardour Street Patisserie Ltd	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Leasing and renting of commercial properties	100% Ordinary shares
Carnaby Food Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Cafe and restaurant	100% Ordinary shares
EL&N International Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Leasing of intellectual property	100% Ordinary shares
EL&N Retail Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Sale of retail items	100% Ordinary shares

All the above subsidiaries are included in the consolidation. The company's investment in Park Lane Patisserie Limited; Oratoire Limited; Market Place Patisserie Limited; Hans Crescent Patisserie Limited; Lowndes Street Patisserie Limited; Elan Speciality Coffee Limited; EL&N Limited, EL&N Speciality Coffee Limited; EL&N Mobile Limited, Oxfordshire Patisserie Limited; Carnaby Street Patisserie Limited; St Pancras Patisserie Limited; Wardour Street Food Limited; Wardour Street Patisserie Limited; EL&N International Limited; EL&N Retail Limited; and EL&N London Limited are direct ownership, all other investments are by indirect ownership.

13. STOCKS

	Group	
	30.6.21	30.6.20
	£	£
Stocks	548,461	125,602

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.21	30.6.20	30.6.21	30.6.20
	£	£	£	£
Trade debtors	1,508,925	428,875	717,387	391,192
Amounts owed by group undertakings	-	-	8,365,390	5,910,485
Other debtors	1,073,588	733,433	816,212	589,373
Rent deposit	652,750	680,750	-	-
Accrued income	35,060	34,925	-	-
Prepayments	1,479,424	205,457	-	-
	<u>4,749,747</u>	<u>2,083,440</u>	<u>9,898,989</u>	<u>6,891,050</u>

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.21	30.6.20	30.6.21	30.6.20
	£	£	£	£
Bank loans and overdrafts (see note 17)	330,000	-	320,000	-
Trade creditors	2,979,851	1,322,976	62,167	40,200
Amounts owed to group undertakings	-	-	3,126,954	2,332,780
Tax	40,490	-	-	-
Social security and other taxes	187,990	467,892	-	-
Pension cost payable	16,035	29,495	-	-
VAT	110,646	624,054	142,696	146,191
Other creditors	1,199,645	75,153	-	-
Net wages control	146,042	110,760	-	-
Directors' current accounts	63,908	62,644	49,276	48,312
Accrued expenses	229,771	102,207	34,000	30,000
	<u>5,304,378</u>	<u>2,795,181</u>	<u>3,735,093</u>	<u>2,597,483</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	30.6.21	30.6.20	30.6.21	30.6.20
	£	£	£	£
Bank loans (see note 17)	1,319,113	-	1,280,000	-
Other loans (see note 17)	3,577,659	4,204,169	4,644,961	4,204,169
	<u>4,896,772</u>	<u>4,204,169</u>	<u>5,924,961</u>	<u>4,204,169</u>

The Other Creditors amounting to £2,827,659 (2020 : £3,454,169) is an amount owed to Black Point Partnership Limited. This loan is free of any charges and it is for business development and expansion purposes.

The Convertible loan is issued by Racine Restaurants Limited in favour of Black Point Limited for advancing £750,000 towards the acquisition of Park Lane Patisserie Limited.

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.6.21	30.6.20	30.6.21	30.6.20
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>330,000</u>	<u>-</u>	<u>320,000</u>	<u>-</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	1,319,113	-	1,280,000	-
Other long term loans	2,827,659	3,454,169	3,894,961	3,454,169
Other convertible loans	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
	<u>4,896,772</u>	<u>4,204,169</u>	<u>5,924,961</u>	<u>4,204,169</u>

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	30.6.21	30.6.20
	£	£
Within one year	1,315,238	888,800
Between one and five years	3,945,714	2,666,400
	<u>5,260,952</u>	<u>3,555,200</u>

Operating leases relate to rental payable and are chargeable to the Consolidated Statement of Income on a straightened basis over the term.

19. PROVISIONS FOR LIABILITIES

	Group	
	30.6.21	30.6.20
	£	£
Deferred tax	<u>1,295</u>	<u>1,295</u>

Group

	Deferred tax £
Balance at 1 July 2020	<u>1,295</u>
Balance at 30 June 2021	<u>1,295</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.21	30.6.20
			£	£
1,000	Ordinary shares	£1	<u>1,000</u>	<u>1,000</u>

21. RESERVES

Group

	Retained earnings £
At 1 July 2020	1,947,621
Profit for the year	1,330,779
Dividends	<u>(110,025)</u>
At 30 June 2021	<u>3,168,375</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

21. RESERVES - continued

Company

	Retained earnings £	Share premium £	Totals £
At 1 July 2020	1,010,738	254,513	1,265,251
Profit for the year	275,809		275,809
Dividends	(110,025)		(110,025)
At 30 June 2021	<u>1,176,522</u>	<u>254,513</u>	<u>1,431,035</u>

22. PENSION COMMITMENTS

The Group operates a define contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost and charge represents contribution payable by the Group to the fund and amounted to £46,761 (2020 : £45326). There were no prepaid or accrued contribution at 30 June 2021 or 30 June 2020.

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At the balance sheet date, the Group owed its director £63,908 (2020 : £62,644).

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

24. RELATED PARTY DISCLOSURES

Racine Restaurants Limited is a holding company. At the balance sheet date Racine Restaurants Limited was owed by:

	2021	2020
	£	£
Elan Speciality Coffee Limited	782,784	517,877
Hans Crescent Patisserie Ltd	814,851	508,712
Park Lane Patisserie Limited	499,053	496,858
Market Place Patisserie Limited	1,618,678	1,585,470
Lowndes Street Patisserie Limited	633,643	634,432
Lowndes Street Food Limited	253,928	454,043
St Pancras Patisserie Limited	1,053,821	1,052,472
Wardour Street Food Limited	nil	33,937
EL&N Mobile Limited	34,417	127,139
Carnaby Patisserie Limited	817,241	198,860
Oratoire Limited	440,735	300,685
Wardour Street Patisserie Limited	763,751	nil
EL&N Limited	364,093	nil
EL&N Speciality Coffee Limited	93,594	nil
EL&N International Limited	90,424	nil
EL&N Retail Limited	62,794	nil
Edinburgh Patisserie Limited	27,071	nil
Carnaby Food Limited	14,512	nil

The Company also owed to:

	2021	2020
	£	£
Park Lane Food Limited	822,951	755,565
Market Place Food Limited	393,686	223,745
Hans Crescent Food Limited	846,803	486,123
EL&N Limited	nil	42,020
EL&N Speciality Coffee Limited	nil	9,099
Edinburgh Patisserie Limited	nil	257
Pomenta Limited	1,053,369	815,971
Wardour Street Food Limited	10,145	nil

All these companies are connected by a common directorship and/ or by common shareholder.

At the balance sheet date, the company owed £3,577,659 (2020 : £4,204,169) to Black Point Partnership Ltd. There is a convertible loan note instrument in favour of Black Point Partnership Ltd in respect of 76% of shares in Racine Restaurants Limited.

During the year ended 30 June 2021, Racine Restaurants Limited received dividend totalling £110,025 from EL&N International Limited and paid dividend totalling £110,025 (2020 : £nil) to its shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

25. GOING CONCERN

Since the start of January 2020, the coronavirus outbreak, which is a rapidly evolving situation has adversely impacted global commercial activities. The rapid development and fluidity of the situation precludes any prediction as to its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown.

The Director is monitoring developments relating to Covid-19 regularly and are coordinating its operational response based on existing business continuity plans, in addition to guidance from global health organisations, the government and general pandemic response best practices.

Having reviewed the Group's forecasts and projections, taking account of possible changes in trading performance, the Director has reasonable expectation that the Group should be able to continue in operational existence without the need for external facilities for the foreseeable future.

The Director is optimistic that with the numerous business support schemes introduced by the Government, the company should be able to continue operationally. In the light of this, the going concern has been adopted in the preparation of the financial statements for the year ended 30 June 2020.