

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022
FOR
RACINE RESTAURANTS LIMITED

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

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	6
Report of the Independent Auditors	7
Consolidated Income Statement	11
Consolidated Other Comprehensive Income	12
Consolidated Balance Sheet	13
Company Balance Sheet	14
Consolidated Statement of Changes in Equity	15
Company Statement of Changes in Equity	16
Consolidated Cash Flow Statement	17
Notes to the Consolidated Cash Flow Statement	18
Notes to the Consolidated Financial Statements	19

RACINE RESTAURANTS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2022

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 2022

The directors present their strategic report of the company and the group for the year ended 30 June 2022.

The company is required by the Companies Act 2006 to set out a report outlining a fair review of the business of the Company during the financial year ended 30 June 2022. To this end, this report will include the position of the Company as at year ended 30 June 2022 and outline the principal risks and uncertainties facing the Company. To review contained within this report is prepared solely to provide additional information to the shareholders to assess the Company's strategies, and a potential for these approaches to succeed. Please note, this report and business review should not be relied upon by any other party, or for any other purpose than stated above.

SECTION 172(1) STATEMENT

We, as Directors of the Company, uphold the professional conduct and obligations, as outlined under Section 171(1) of the Companies Act 2006 ('Section 172'). Given our compliance to this code of conduct, we as Directors, act in a way that we consider to most likely to promote the sources of the company for the benefit of its members. Our commitment to uphold such professional integrity encompasses the following factors (amongst many other considerations):

- The likely consequences of any decision in the long-term.
- The interest of the Company's employees,
- The need to foster the Company's business relationships with suppliers, customers and all other external and internal stakeholders.
- The impact of the Company's operation on the wider community and the environment.
- The necessity of the Company to maintain a reputation for high standard of business conduct at all times.
- The requirement to act fairly with, and between, members of the company.

We, as Directors of the Company, acting in our capacity as both individual agents, and as a collective corporate entity, consider that we have fully discharged our duties in accordance with Section 172, taking into account the factors listed above in our decisions made during the year. Many of the decisions taken by us (as Directors) during the year, relate to supporting the strategic initiatives of the Company and the Group at large.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2022

REVIEW OF BUSINESS

The period 2021/22 was a challenging year for the food & beverage sector as the industry "recovered" from the Covid-19 lockdowns in the previous two years and the travel industry started to rebuild passenger volumes. We entered the year with the Omicron variant still impacting our business, shortly followed by the war in Ukraine which significantly impacted utility and supply chain costs and resulted in increasing cost-of-living pressures for our customers.

The year 2022 was a year of great achievements for EL&N during which we delivered record sales and profits, significant strategic progress and celebrated the milestone of becoming a truly global company.

The business has shown itself to be extraordinarily well positioned through and post pandemic, with its focus on international expansion mitigating the contraction of business revenue in the UK operations.

The year 2022 was marked by a number of global issues. The conflict in Ukraine, inflationary pressures, supply chain issues and staff recruitment challenges have impacted performance. Industry headwinds, including the rising cost of ingredients, have had a material impact on the hospitality industry in the last 12 months.

EL&N's current global footprint is 26 outlets 12 corporate stores within the UK and France and 14 stores internationally through a franchising model.

As part of our retail expansion program, we have entered into relationship agreements with strategic partners to further elevate the brand awareness of the EL&N brand for consumable and non-consumable EL&N branded products. These partnerships extend in diversity and scope, ranging from retail product showcasing to operational store management. The business development strategies implemented by the Directors and Management in 2022 resulted in EL&N ascending from a UK based equity store operation to a genuine global brand, with operations across multiple geographic markets.

The results as shown in the financial statements are in line with guidance and forecast, although certain divisional sectors performed better than others. The company's performance was driven by organic growth across traditional business operations, supplemented by exemplary contributions from strategic revenue centres. Equity Stores, International Franchising and Retail Sales. The Group has continued to drive into new markets and geographical locations and is continuing to develop a strong pipeline of potential new International franchise partner candidates, with several having passed initial review/approval stage.

EL&N's unique business model now encompassing meaningful international franchise and commercial operations, has delivered exceptional performance for 2022, demonstrating the Group's ability to grow and diversify its revenue streams.

Despite the difficult trading environment during the year, Group leadership is pleased to report Group's turnover of £22.4 M (2021 : £8.44M) and pre-tax profit for the year of £4.62M (2021 : £1.26M).

The Management considers this performance to be extremely positive, given the underlying difficult trading conditions being experienced. As has been widely reported, the war in Ukraine triggered unprecedented cost pressures, particularly in elevated levels of food and drink and energy inflation. The shortages of labour supply in the UK and increasing National Living Wage has led to the reduction in operating margins for the sties.

The Group's leadership has continued to keep the progress of the Group activities under scrutiny. Overall, the Group traded robustly in 2022. 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 through wider Group including EL&N International and EL&N Retail.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Key performance indicators:

The main performance indicators are turnover, gross profit and net profit after taxation communicate the financial performance of the group. The Group's growth has continued; Turnover increased by 166%, Gross profit by 171 %, operating profit increased by 268% and net profit by 256% as compared to the financial year 2021. The Group has achieved overall growth over the period due to customer loyalty, retention and growth in its international franchise partners.

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 Directors recognise 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. Also, 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 2023/24 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 EL&N brand growth strategy is to expand via a combination of corporate store models within the UK and selected cities in Europe and a franchising model internationally. A combination of diversified business models have been identified to facilitate this expansion and development program.

The group expansion strategy is to operate 200+ units globally over the next 5 years.

EL&N is exploring the potential to raise capital through divestment of equity in the Holding group. We are seeking an investment partner to provide growth capital to assist in the capitalisation of additional equity store roll outs, as well as exploring vertical investment opportunities.

Focusing on a combination of franchising and corporate store rollouts, the ambition of capturing the leading position of the world's Number One lifestyle Café is achievable.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

26 June 2023

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2022

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2022.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2022.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2021 to the date of this report.

Mrs A C Miller-Salame

Ms S Sedghi

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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

26 June 2023

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 2022 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 2022 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.

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 six, 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:

- 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.
- 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.

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

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

26 June 2023

CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30.6.22 £	30.6.21 £
TURNOVER	3	22,438,548	8,441,971
Cost of sales		<u>6,518,012</u>	<u>2,568,085</u>
GROSS PROFIT		15,920,536	5,873,886
Administrative expenses		<u>12,116,098</u>	<u>7,205,628</u>
		3,804,438	(1,331,742)
Other operating income		<u>818,460</u>	<u>2,587,787</u>
OPERATING PROFIT	5	4,622,898	1,256,045
Interest receivable and similar income		<u>-</u>	<u>27,860</u>
		4,622,898	1,283,905
Interest payable and similar expenses	6	<u>83,945</u>	<u>27,397</u>
PROFIT BEFORE TAXATION		4,538,953	1,256,508
Tax on profit	7	<u>123,744</u>	<u>(74,271)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>4,415,209</u>	<u>1,330,779</u>
Profit attributable to:			
Owners of the parent		<u>4,415,209</u>	<u>1,330,779</u>

The notes form part of these financial statements

CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30.6.22 £	30.6.21 £
PROFIT FOR THE YEAR		4,415,209	1,330,779
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>4,415,209</u>	<u>1,330,779</u>
FOR THE YEAR		<u>4,415,209</u>	<u>1,330,779</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>4,415,209</u>	<u>1,330,779</u>

The notes form part of these financial statements

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)**CONSOLIDATED BALANCE SHEET**
30 JUNE 2022

	Notes	30.6.22 £	£	30.6.21 £	£
FIXED ASSETS					
Intangible assets	10		442,631		522,267
Tangible assets	11		6,085,497		6,296,568
Investments	12		-		-
			<u>6,528,128</u>		<u>6,818,835</u>
CURRENT ASSETS					
Stocks	13	1,091,193		548,461	
Debtors	14	5,837,112		4,749,747	
Cash at bank and in hand		<u>2,047,500</u>		<u>1,254,777</u>	
		8,975,805		6,552,985	
CREDITORS					
Amounts falling due within one year	15	<u>3,846,845</u>		<u>5,304,378</u>	
NET CURRENT ASSETS			<u>5,128,960</u>		<u>1,248,607</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			11,657,088		8,067,442
CREDITORS					
Amounts falling due after more than one year	16		(4,072,504)		(4,896,772)
PROVISIONS FOR LIABILITIES	19		-		(1,295)
NET ASSETS			<u>7,584,584</u>		<u>3,169,375</u>
CAPITAL AND RESERVES					
Called up share capital	20		1,000		1,000
Retained earnings	21		<u>7,583,584</u>		<u>3,168,375</u>
SHAREHOLDERS' FUNDS			<u>7,584,584</u>		<u>3,169,375</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2023 and were signed on its behalf by:

Mrs A C Miller-Salame - Director

Ms S Sedghi - Director

The notes form part of these financial statements

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)**COMPANY BALANCE SHEET****30 JUNE 2022**

	Notes	30.6.22 £	£	30.6.21 £	£
FIXED ASSETS					
Intangible assets	10	-	-	-	-
Tangible assets	11	-	-	-	-
Investments	12	1,176,500		1,176,500	
		<u>1,176,500</u>		<u>1,176,500</u>	
CURRENT ASSETS					
Debtors	14	11,384,332		9,898,989	
Cash at bank		<u>26,368</u>		<u>16,600</u>	
		11,410,700		9,915,589	
CREDITORS					
Amounts falling due within one year	15	<u>5,525,082</u>		<u>3,735,093</u>	
NET CURRENT ASSETS			<u>5,885,618</u>		<u>6,180,496</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,062,118		7,356,996
CREDITORS					
Amounts falling due after more than one year	16	<u>5,697,503</u>		<u>5,924,961</u>	
NET ASSETS			<u>1,364,615</u>		<u>1,432,035</u>
CAPITAL AND RESERVES					
Called up share capital	20	1,000		1,000	
Share premium	21	254,513		254,513	
Retained earnings	21	<u>1,109,102</u>		<u>1,176,522</u>	
SHAREHOLDERS' FUNDS		<u>1,364,615</u>		<u>1,432,035</u>	
Company's (loss)/profit for the financial year			<u>(67,420)</u>		<u>275,809</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2023 and were signed on its behalf by:

Mrs A C Miller-Salame - Director

Ms S Sedghi - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 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	<u>1,000</u>	<u>3,168,375</u>	<u>3,169,375</u>
Changes in equity			
Total comprehensive income	-	4,415,209	4,415,209
Balance at 30 June 2022	<u>1,000</u>	<u>7,583,584</u>	<u>7,584,584</u>

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 July 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
Changes in equity				
Total comprehensive income	-	(67,420)	-	(67,420)
Balance at 30 June 2022	1,000	1,109,102	254,513	1,364,615

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30.6.22 £	30.6.21 £
Cash flows from operating activities			
Cash generated from operations	1	2,114,461	(936,314)
Interest paid		(83,945)	(27,397)
Tax paid		159,605	114,761
Net cash from operating activities		<u>2,190,121</u>	<u>(848,950)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(8,771)	147,198
Purchase of tangible fixed assets		(859,351)	(1,677,865)
Sale of tangible fixed assets		35,154	127,772
Interest received		-	27,860
Net cash from investing activities		<u>(832,968)</u>	<u>(1,375,035)</u>
Cash flows from financing activities			
New loans in year		-	1,649,113
Other loan repayments in the		(547,512)	(626,510)
Bank loan repayments in the year		(276,108)	-
Amount withdrawn by directors		(63,908)	1,264
Government grants		323,098	2,382,367
Equity dividends paid		-	(110,025)
Net cash from financing activities		<u>(564,430)</u>	<u>3,296,209</u>
Increase in cash and cash equivalents		<u>792,723</u>	<u>1,072,224</u>
Cash and cash equivalents at beginning of year	2	1,254,777	182,553
Cash and cash equivalents at end of year	2	<u>2,047,500</u>	<u>1,254,777</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

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

	30.6.22	30.6.21
	£	£
Profit before taxation	4,538,953	1,256,508
Depreciation charges	1,130,769	1,141,614
Profit on disposal of fixed assets	(7,094)	-
Government grants	(323,098)	(2,382,387)
Finance costs	83,945	27,397
Finance income	-	(27,860)
	<u>5,423,475</u>	<u>15,272</u>
Increase in stocks	(542,732)	(422,859)
Increase in trade and other debtors	(1,087,365)	(2,666,307)
(Decrease)/increase in trade and other creditors	<u>(1,678,917)</u>	<u>2,137,580</u>
Cash generated from operations	<u><u>2,114,461</u></u>	<u><u>(936,314)</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 2022

	30.6.22	1.7.21
	£	£
Cash and cash equivalents	<u>2,047,500</u>	<u>1,254,777</u>

Year ended 30 June 2021

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

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.21	Cash flow	At 30.6.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>1,254,777</u>	<u>792,723</u>	<u>2,047,500</u>
	<u>1,254,777</u>	<u>792,723</u>	<u>2,047,500</u>
Debt			
Debts falling due within 1 year	(330,000)	(648)	(330,648)
Debts falling due after 1 year	<u>(4,896,772)</u>	<u>824,268</u>	<u>(4,072,504)</u>
	<u>(5,226,772)</u>	<u>823,620</u>	<u>(4,403,152)</u>
Total	<u><u>(3,971,995)</u></u>	<u><u>1,616,343</u></u>	<u><u>(2,355,652)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

2. ACCOUNTING POLICIES - continued

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Stocks

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

2. ACCOUNTING POLICIES - continued

Financial instruments

The Group only enters into basic financial instrument transactions that results in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from bank and other third parties, loans to relate to 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 out-right 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 quantifies as a loan from a director in the case of a small company or a public benefit entity concessionary loan.

Investments is 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 the shares are publicly traded or they are favourable you can otherwise be measured reliably, " 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 offsets 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

2. ACCOUNTING POLICIES - continued

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.

Cash and cash equivalents

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

Cash equivalent are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change of value.

Debtors

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

Creditors

Short term Creditors are measured at the transaction price.

3. TURNOVER

The total Turnover of the Group for the year has been derived from the group's principal activities undertaken in the UK and the rest of the world. Sale of goods and services undertaken wholly in the UK during the year amounted to £17,778,531 (2021 : £6,753,792) and the rest of the world amounted to £4,660,017 (2021 : £1,688,179).

4. EMPLOYEES AND DIRECTORS

	30.6.22	30.6.21
	£	£
Wages and salaries	5,011,606	2,920,502
Social security costs	348,598	195,710
Other pension costs	92,589	46,761
	<u>5,452,793</u>	<u>3,162,973</u>

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

	30.6.22	30.6.21
Production and sale	291	234
Senior management	12	12
	<u>303</u>	<u>246</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 303 (2021 - 246) .

	30.6.22	30.6.21
	£	£
Directors' remuneration	<u>81,940</u>	<u>66,667</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**5. OPERATING PROFIT**

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

	30.6.22	30.6.21
	£	£
Other operating leases	-	516
Depreciation - owned assets	1,042,362	1,075,684
Profit on disposal of fixed assets	(7,094)	-
Goodwill amortisation	83,308	66,046
Development costs amortisation	5,099	-
Auditors' remuneration	34,000	34,000
Foreign exchange differences	<u>3,618</u>	<u>3,091</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.22	30.6.21
	£	£
Bank interest	-	347
Other interest charges	77,309	16,064
Fines and penalties	<u>6,636</u>	<u>10,986</u>
	<u>83,945</u>	<u>27,397</u>

7. TAXATION**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	30.6.22	30.6.21
	£	£
Current tax:		
UK corporation tax	125,039	(74,271)
Deferred tax	<u>(1,295)</u>	<u>-</u>
Tax on profit	<u>123,744</u>	<u>(74,271)</u>

During the year, the Group received Research and Development tax credit totalling £201,095 (2021 : £74,271).

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

	30.6.22	30.6.21
	£	£
Ordinary shares shares of £1 each		
Interim	<u>-</u>	<u>110,025</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Development costs £	Totals £
COST			
At 1 July 2021	746,773	25,416	772,189
Additions	-	8,771	8,771
At 30 June 2022	<u>746,773</u>	<u>34,187</u>	<u>780,960</u>
AMORTISATION			
At 1 July 2021	249,922	-	249,922
Amortisation for year	83,308	5,099	88,407
At 30 June 2022	<u>333,230</u>	<u>5,099</u>	<u>338,329</u>
NET BOOK VALUE			
At 30 June 2022	<u>413,543</u>	<u>29,088</u>	<u>442,631</u>
At 30 June 2021	<u>496,851</u>	<u>25,416</u>	<u>522,267</u>

11. TANGIBLE FIXED ASSETS

Group

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 July 2021	6,363,878	1,059,437	1,465,825	262,849	9,151,989
Additions	566,306	-	252,993	40,052	859,351
Disposals	(28,925)	-	(2,581)	(3,680)	(35,186)
At 30 June 2022	<u>6,901,259</u>	<u>1,059,437</u>	<u>1,716,237</u>	<u>299,221</u>	<u>9,976,154</u>
DEPRECIATION					
At 1 July 2021	1,644,786	351,748	729,775	129,112	2,855,421
Charge for year	780,099	119,303	118,545	24,415	1,042,362
Eliminated on disposal	(4,340)	-	(2,234)	(552)	(7,126)
At 30 June 2022	<u>2,420,545</u>	<u>471,051</u>	<u>846,086</u>	<u>152,975</u>	<u>3,890,657</u>
NET BOOK VALUE					
At 30 June 2022	<u>4,480,714</u>	<u>588,386</u>	<u>870,151</u>	<u>146,246</u>	<u>6,085,497</u>
At 30 June 2021	<u>4,719,092</u>	<u>707,689</u>	<u>736,050</u>	<u>133,737</u>	<u>6,296,568</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

12. **FIXED ASSET INVESTMENTS**

Company

Shares in
group
undertakings
£

COST

At 1 July 2021
and 30 June 2022

1,176,500

NET BOOK VALUE

At 30 June 2022
At 30 June 2021

1,176,500

1,176,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

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 Trafford Palazzo Limited; Edinburgh 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	
	30.6.22	30.6.21
	£	£
Stocks	<u>1,091,193</u>	<u>548,461</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.22	30.6.21	30.6.22	30.6.21
	£	£	£	£
Trade debtors	1,291,751	1,508,925	-	717,387
Amounts owed by group undertakings	-	-	10,118,418	8,365,390
Other debtors	1,961,303	1,073,588	1,257,303	816,212
Rent deposit	652,750	652,750	-	-
VAT	-	-	8,611	-
Accrued income	-	35,060	-	-
Prepayments	1,931,308	1,479,424	-	-
	<u>5,837,112</u>	<u>4,749,747</u>	<u>11,384,332</u>	<u>9,898,989</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	30.6.22	30.6.21	30.6.22	30.6.21
	£	£	£	£
Bank loans and overdrafts (see note 17)	330,648	330,000	320,000	320,000
Trade creditors	2,104,314	2,979,851	62,557	62,167
Amounts owed to group undertakings	-	-	4,783,391	3,126,954
Tax	325,134	40,490	325,134	-
Social security and other taxes	69,366	187,990	-	-
Pension cost payable	26,205	16,035	-	-
VAT	186,796	110,646	-	142,696
Other creditors	351,107	1,199,645	-	-
Net wages control	252,502	146,042	-	-
Directors' current accounts	-	63,908	-	49,276
Accrued expenses	200,773	229,771	34,000	34,000
	<u>3,846,845</u>	<u>5,304,378</u>	<u>5,525,082</u>	<u>3,735,093</u>

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

	Group		Company	
	30.6.22	30.6.21	30.6.22	30.6.21
	£	£	£	£
Bank loans (see note 17)	1,042,357	1,319,113	1,013,333	1,280,000
Other loans (see note 17)	<u>3,030,147</u>	<u>3,577,659</u>	<u>4,684,170</u>	<u>4,644,961</u>
	<u>4,072,504</u>	<u>4,896,772</u>	<u>5,697,503</u>	<u>5,924,961</u>

The Other Creditors amounting to £2,280,147 (2021 : £2,827,659) 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	
	30.6.22	30.6.21	30.6.22	30.6.21
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>330,648</u>	<u>330,000</u>	<u>320,000</u>	<u>320,000</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	1,042,357	1,319,113	1,013,333	1,280,000
Other long term loans	2,280,147	2,827,659	3,934,170	3,894,961
Other convertible loans	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
	<u>4,072,504</u>	<u>4,896,772</u>	<u>5,697,503</u>	<u>5,924,961</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

18. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	30.6.22	30.6.21
	£	£
Within one year	2,047,000	1,315,238
Between one and five years	<u>6,141,000</u>	<u>3,945,714</u>
	<u>8,188,000</u>	<u>5,260,952</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	
	30.6.22	30.6.21
	£	£
Deferred tax	<u>-</u>	<u>1,295</u>

Group

	Deferred tax
	£
Balance at 1 July 2021	1,295
Credit to Income Statement during year	<u>(1,295)</u>
Balance at 30 June 2022	<u>-</u>

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.22	30.6.21
			£	£
1,000	Ordinary shares	£1	<u>1,000</u>	<u>1,000</u>

21. **RESERVES**

Group

	Retained earnings
	£
At 1 July 2021	3,168,375
Profit for the year	<u>4,415,209</u>
At 30 June 2022	<u>7,583,584</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

21. **RESERVES - continued**

Company

	Retained earnings £	Share premium £	Totals £
At 1 July 2021	1,176,522	254,513	1,431,035
Deficit for the year	(67,420)		(67,420)
At 30 June 2022	<u>1,109,102</u>	<u>254,513</u>	<u>1,363,615</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 £92,589 (2021 : £46,761). There were no prepaid or accrued contribution at 30 June 2022 or 30 June 2021.

23. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

At the balance sheet date, the Group owed its director £nil (2021 : £63,908).

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

24. RELATED PARTY DISCLOSURES

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

	2022	2021
£		
£		
Elan Speciality Coffee Limited	1,768,923	782,784
Hans Crescent Patisserie Ltd	971,870	814,851
Park Lane Patisserie Limited	549,184	499,053
Market Place Patisserie Limited	1,770,801	1,618,678
Lowndes Street Patisserie Limited	728,200	633,643
Lowndes Street Food Limited	216,906	253,928
St Pancras Patisserie Limited	1,072,220	1,053,821
EL&N Mobile Limited	54,514	34,417
Carnaby Patisserie Limited	913,916	817,241
Oratoire Limited	471,676	440,735
Wardour Street Patisserie Limited	794,405	763,751
EL&N Limited	538,817	364,093
EL&N Speciality Coffee Limited	nil	93,594
EL&N International Limited	nil	90,424
EL&N Retail Limited	188,026	62,794
Edinburgh Patisserie Limited	68,714	27,071
Carnaby Food Limited	10,246	14,512

The Company also owed to:

	2022	2021
£		
£		
Park Lane Food Limited	1,009,095	822,951
Market Place Food Limited	426,772	393,686
Hans Crescent Food Limited	1,389,965	846,803
EL&N International Limited	680,792	nil
Pomona Limited	1,038,005	1,053,369
Wardour Street Food Limited	238,762	10,145

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

At the balance sheet date, the company owed £3,030,147 (2021 : £3,577,659) 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 2022, Racine Restaurants Limited received dividend totalling £nil (2021 : £110,025) from EL&N International Limited and paid dividend totalling £nil (2021 : £110,025) to its shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

25. GOING CONCERN

The directors have prepared the financial statements of the Group on the going concern basis, which assumes that the Group will continue to operate for the foreseeable future.

In making this assessment, the directors have considered the Group's current financial position, its liquidity and cash flow position, the economic environment, and its future plans and projections, including the impact of the post COVID-19 pandemic. Based on this assessment, the director has a reasonable expectation that the Group will be able to meet its liabilities as and when they fall due and will continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of approval of these financial statements; therefore a going concern basis is appropriate for preparing of the financial statements for the year ended 30 June 2022.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.