

AMENDED

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
FOR
RACINE RESTAURANTS LIMITED

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



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FOR THE YEAR ENDED 30 JUNE 2020

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RACINE RESTAURANTS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2020

DIRECTOR:

Mrs A C Miller-Salame

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 2020

The director presents her strategic report of the company and the group for the year ended 30 June 2020.

REVIEW OF BUSINESS

The year 2020 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 2020 reflect the closure of 'dine-in' in all of our venues following Government advise in third week of March 2020 which continued beyond 30 June 2020. Despite this, the Group's leadership acted with pace at the onset of this pandemic 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, two new temporary pop-up venues were opened in Regents Street and Bicester Village to promote the brand awareness. The Group also provided management consultancies to expand on the international franchise during the year under EL&N International Limited which it later acquired, after the year end.

Despite the difficult trading environment during the year and the unprecedented COVID-19 pandemic, Group leadership is pleased to report Group's turnover of £9.0M (2019: £8.0M) and pre-tax profit for the year of £1.0M (2019: £0.31 M).

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 turnover and 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. We also had two fully matured sites this year at Hans Crescent and Lowndes Street which were acquired in last year in quarter 2 of the year ended 30 June 2019. During the year to 30 June 20 an additional site at London St Pancras station was added to the group's portfolio.

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, after year end.

The Group now employs approximately 250 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 2020

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 increased by 12.20%, Gross profit by 20%, operating profit by 184% and net profit by 178% as compared to 2019, the Group has achieved the increase in turnover by opening new venues and increase in sales 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.

Future developments:

The Group expects to grow organically throughout the 2020/2021 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. To strengthen the position of the Group, the board has appointed Sarah Sedghi as a Director following the year end, this will bring 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.

To the date of this report, two 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.

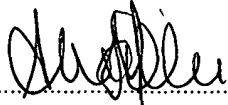
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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 in Kuwait, Bahrain, Qatar, and Kingdom of Saudi Arabia (KSA).

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 once restrictions fully lifted.

ON BEHALF OF THE BOARD:



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

Date: 09/09/2021
.....

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 JUNE 2020

The director presents her report with the financial statements of the company and the group for the year ended 30 June 2020.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2020.

DIRECTOR

Mrs A C Miller-Salame held office during the whole of the period from 1 July 2019 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is 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 director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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.

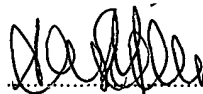
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is 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 she 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: 09/09/2021

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 2020 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 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Director 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 Director 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 Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page five, the director is 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 director determines 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 director is 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

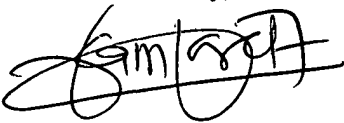
Auditors' responsibilities for the audit of the financial statements

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.

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.

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: 14/09/2021

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

		YEAR ENDED 30.6.20	PERIOD 1.9.18 TO 30.6.19 as restated
	Notes	£	£
TURNOVER		9,065,469	8,079,901
Cost of sales		2,331,578	2,485,978
GROSS PROFIT		6,733,891	5,593,923
Administrative expenses		6,559,224	5,290,270
		174,667	303,653
Other operating income		860,214	-
OPERATING PROFIT	4	1,034,881	303,653
Interest receivable and similar income		19,116	10,569
		1,053,997	314,222
Interest payable and similar expenses	5	29,709	5,100
PROFIT BEFORE TAXATION		1,024,288	309,122
Tax on profit	6	-	-
PROFIT FOR THE FINANCIAL YEAR		1,024,288	309,122
Profit attributable to: Owners of the parent		1,024,288	309,122

The notes form part of these financial statements

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

		YEAR ENDED 30.6.20	PERIOD 1.9.18 TO 30.6.19 as restated
	Notes	£	£
PROFIT FOR THE YEAR		1,024,288	309,122
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			309,122
Prior year adjustment	Note 8	(91,938)	
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT		932,350	
Total comprehensive income attributable to: Owners of the parent		932,350	309,122

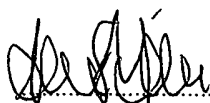
The notes form part of these financial statements

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

CONSOLIDATED BALANCE SHEET
30 JUNE 2020

		30.6.20	30.6.19 as restated
	Notes	£	£
FIXED ASSETS			
Intangible assets	9	735,511	827,449
Tangible assets	10	5,822,160	4,531,764
Investments	11	-	-
		<u>6,557,671</u>	<u>5,359,213</u>
CURRENT ASSETS			
Stocks	12	125,602	59,640
Debtors	13	2,083,440	1,960,321
Cash at bank and in hand		182,553	867
		<u>2,391,595</u>	<u>2,020,828</u>
CREDITORS			
Amounts falling due within one year	14	2,795,181	2,283,039
NET CURRENT LIABILITIES		<u>(403,586)</u>	<u>(262,211)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,154,085	5,097,002
CREDITORS			
Amounts falling due after more than one year	15	(4,204,169)	(4,171,374)
PROVISIONS FOR LIABILITIES	18	<u>(1,295)</u>	<u>(1,295)</u>
NET ASSETS		<u><u>1,948,621</u></u>	<u><u>924,333</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	1,000	1,000
Retained earnings	20	1,947,621	923,333
SHAREHOLDERS' FUNDS		<u><u>1,948,621</u></u>	<u><u>924,333</u></u>

The financial statements were approved by the director and authorised for issue on
were signed by:



Mrs A C Miller-Salame - Director

09/09/2021

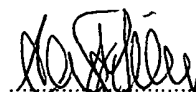
and

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

COMPANY BALANCE SHEET
30 JUNE 2020

		30.6.20	30.6.19 as restated
	Notes	£	£
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	-	-
Investments	11	1,176,200	1,175,500
		<u>1,176,200</u>	<u>1,175,500</u>
CURRENT ASSETS			
Debtors	13	6,891,050	4,051,876
Cash at bank		653	-
		<u>6,891,703</u>	<u>4,051,876</u>
CREDITORS			
Amounts falling due within one year	14	2,597,483	526,708
NET CURRENT ASSETS		<u>4,294,220</u>	<u>3,525,168</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,470,420</u>	<u>4,700,668</u>
CREDITORS			
Amounts falling due after more than one year	15	4,204,169	4,171,374
NET ASSETS		<u><u>1,266,251</u></u>	<u><u>529,294</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	1,000	1,000
Share premium	20	254,513	254,513
Retained earnings	20	1,010,738	273,781
SHAREHOLDERS' FUNDS		<u><u>1,266,251</u></u>	<u><u>529,294</u></u>
Company's profit for the financial year		<u><u>736,957</u></u>	<u><u>84,413</u></u>

The financial statements were approved by the director and authorised for issue on 09/09/2021 and were signed by:



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 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 September 2018	2,600	614,211	254,513	871,324
Changes in equity				
Issue of share capital	(1,600)	-	(254,513)	(256,113)
Total comprehensive income	-	401,060	-	401,060
Balance at 30 June 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

The notes form part of these financial statements

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 September 2018	1,000	189,368	254,513	444,881
Changes in equity				
Total comprehensive income	-	84,413	-	84,413
Balance at 30 June 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

The notes form part of these financial statements

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

		YEAR ENDED 30.6.20	PERIOD 1.9.18 TO 30.6.19 as restated £
	Notes	£	
Cash flows from operating activities			
Cash generated from operations	1	1,469,187	1,111,442
Interest paid		(29,709)	(5,100)
Tax paid		(6,091)	(19,648)
Net cash from operating activities		<u>1,433,387</u>	<u>1,086,694</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,265,789)	(2,999,156)
Purchase of fixed asset investments		-	(500)
Sale of tangible fixed assets		89,425	-
Interest received		19,116	10,569
Net cash from investing activities		<u>(2,157,248)</u>	<u>(2,989,087)</u>
Cash flows from financing activities			
New loans in year		-	1,157,398
Amount withdrawn by directors		53,213	-
Share issue		-	500
Government grants		852,334	-
Net cash from financing activities		<u>905,547</u>	<u>1,157,898</u>
Increase/(decrease) in cash and cash equivalents		<u>181,686</u>	<u>(744,495)</u>
Cash and cash equivalents at beginning of year	2	867	745,362
Cash and cash equivalents at end of year	2	<u><u>182,553</u></u>	<u><u>867</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 2020

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

	YEAR ENDED 30.6.20	PERIOD 1.9.18 TO 30.6.19 as restated
	£	£
Profit before taxation	1,024,288	309,122
Depreciation charges	839,347	607,294
Loss on disposal of fixed assets	138,561	-
Government grants	(852,334)	-
Finance costs	29,709	5,100
Finance income	(19,116)	(10,569)
	<hr/>	<hr/>
	1,160,455	910,947
Increase in stocks	(65,962)	(59,640)
Increase in trade and other debtors	(90,326)	(886,782)
Increase in trade and other creditors	465,020	1,146,917
	<hr/>	<hr/>
Cash generated from operations	1,469,187	1,111,442

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 2020

	30.6.20	1.7.19
	£	£
Cash and cash equivalents	182,553	867

Period ended 30 June 2019

	30.6.19 as restated	1.9.18
	£	£
Cash and cash equivalents	867	745,362

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.19 £	Cash flow £	At 30.6.20 £
Net cash			
Cash at bank and in hand	867	181,686	182,553
	<hr/>	<hr/>	<hr/>
	867	181,686	182,553
Debt			
Debts falling due after 1 year	(4,171,374)	(32,795)	(4,204,169)
	<hr/>	<hr/>	<hr/>
	(4,171,374)	(32,795)	(4,204,169)
Total	<hr/>	<hr/>	<hr/>
	(4,170,507)	148,891	(4,021,616)

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- Over the period of the lease
Improvements to property	- 15% on reducing balance
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 15% on reducing balance

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

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

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.

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

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.

Accounting period

The Accounting period for the period ended 30 June 2019 covers a period of ten months from 01 September 2018 to 30 June 2019 inclusive. The current period ended 30 June 2020 spans over twelve months from 01 July 2019 to 30 June 2020 inclusive.

3. EMPLOYEES AND DIRECTORS

	YEAR ENDED 30.6.20	PERIOD 1.9.18 TO 30.6.19 as restated
	£	£
Wages and salaries	2,840,937	2,034,433
Social security costs	160,673	118,179
Other pension costs	45,326	35,550
	<u>3,046,936</u>	<u>2,188,162</u>

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

	YEAR ENDED 30.6.20	PERIOD 1.9.18 TO 30.6.19 as restated
Production and sale	160	173
Senior management	11	11
	<u>171</u>	<u>184</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 171 (2019 - 184).

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

3. EMPLOYEES AND DIRECTORS - continued

	YEAR ENDED 30.6.20	PERIOD 1.9.18 TO 30.6.19 as restated £
Director's remuneration	£ 41,188	£ 29,271

4. OPERATING PROFIT

The operating profit is stated after charging:

	YEAR ENDED 30.6.20	PERIOD 1.9.18 TO 30.6.19 as restated £
Other operating leases	£ 3,826	£ 15,977
Depreciation - owned assets	747,407	515,355
Loss on disposal of fixed assets	138,561	-
Goodwill amortisation	91,938	91,938
Auditors' remuneration	30,000	20,000

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	YEAR ENDED 30.6.20	PERIOD 1.9.18 TO 30.6.19 as restated £
Bank interest	£ 676	£ -
Other interest charges	23,269	5,100
Fines and penalties	5,764	-
	29,709	5,100

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 June 2020 nor for the period ended 30 June 2019.

7. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

8. PRIOR YEAR ADJUSTMENT

The Consolidated Financial Statement as at 30 June 2019 (Note 9) have been restated to incorporate the impact of reclassification of Investment amounting to £1,175,000 to Goodwill; so as to recognise "Goodwill on Consolidation".

This amount is now correctly disclosed in these financial statements under Goodwill as at 30 June 2020 and in the comparatives for 2019 and the goodwill amortised appropriately.

The above correction in the revised Consolidated financial statements have resulted in a decrease in Profit attributable to the Owners of the parent by £91,938 and a decrease in net Asset by £348,551 in the revised financial statements.

9. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 July 2019	
and 30 June 2020	919,387
AMORTISATION	
At 1 July 2019	91,938
Amortisation for year	91,938
At 30 June 2020	183,876
NET BOOK VALUE	
At 30 June 2020	735,511
At 30 June 2019	827,449

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

10. TANGIBLE FIXED ASSETS

Group

	Long leasehold £	Improvements to property £	Plant and machinery £
COST			
At 1 July 2019	1,199,068	2,356,314	674,786
Additions	285,705	1,363,352	325,652
Disposals	(83,836)	(500)	(59,392)
At 30 June 2020	1,400,937	3,719,166	941,046
DEPRECIATION			
At 1 July 2019	135,442	221,082	122,112
Charge for year	204,475	308,322	99,193
Eliminated on disposal	(5,967)	-	(4,052)
At 30 June 2020	333,950	529,404	217,253
NET BOOK VALUE			
At 30 June 2020	1,066,987	3,189,762	723,793
At 30 June 2019	1,063,626	2,135,232	552,674

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 July 2019	1,201,885	149,864	5,581,917
Additions	262,448	28,632	2,265,789
Disposals	(91,466)	(7,090)	(242,284)
At 30 June 2020	1,372,867	171,406	7,605,422
DEPRECIATION			
At 1 July 2019	473,290	98,227	1,050,153
Charge for year	123,698	11,719	747,407
Eliminated on disposal	(3,679)	(600)	(14,298)
At 30 June 2020	593,309	109,346	1,783,262
NET BOOK VALUE			
At 30 June 2020	779,558	62,060	5,822,160
At 30 June 2019	728,595	51,637	4,531,764

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 July 2019	1,175,500
Additions	700
	<hr/>
At 30 June 2020	1,176,200
	<hr/>
NET BOOK VALUE	
At 30 June 2020	1,176,200
	<hr/>
At 30 June 2019	1,175,500
	<hr/>

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30 JUNE 2020**11. 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 2020

11. FIXED ASSET INVESTMENTS - continued

St Pancras Patisserie Limited	Jubilee House, Townsend Lane, London NW9 8TZ. UK	Leasing and renting of commercial properties	100% Ordinary shares
Piccadilly Patisserie 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

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; Piccadilly Patisserie Limited; and Wardour Street Patisserie Limited are direct ownership, all other investments are indirect ownership.

12. STOCKS

	Group	
	30.6.20	30.6.19 as restated
	£	£
Stocks	<u>125,602</u>	<u>59,640</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.20	30.6.19 as restated	30.6.20	30.6.19 as restated
	£	£	£	£
Trade debtors	428,875	343,387	391,192	-
Amounts owed by group undertakings	-	-	5,910,485	3,970,166
Other debtors	733,433	518,774	589,373	81,710
Rent deposit	680,750	632,470	-	-
Accrued income	34,925	-	-	-
Prepayments	205,457	465,690	-	-
	<u>2,083,440</u>	<u>1,960,321</u>	<u>6,891,050</u>	<u>4,051,876</u>

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30 JUNE 2020**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	30.6.20	30.6.19 as restated	30.6.20	30.6.19 as restated
	£	£	£	£
Trade creditors	1,322,976	1,454,323	40,200	-
Amounts owed to group undertakings	-	-	2,332,780	455,396
Tax	-	6,091	-	-
Social security and other taxes	467,892	185,794	-	-
Pension cost payable	29,495	36,639	-	-
VAT	624,054	193,578	146,191	-
Other creditors	75,153	126,163	-	48,018
Net wages control	110,760	226,370	-	-
Directors' current accounts	62,644	9,431	48,312	294
Accrued expenses	102,207	44,650	30,000	23,000
	<u>2,795,181</u>	<u>2,283,039</u>	<u>2,597,483</u>	<u>526,708</u>

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

	Group		Company	
	30.6.20	30.6.19 as restated	30.6.20	30.6.19 as restated
	£	£	£	£
Other loans (see note 16)	<u>4,204,169</u>	<u>4,171,374</u>	<u>4,204,169</u>	<u>4,171,374</u>

The Other Creditors amounting to £3,454,169 (2019 : £3,421,374) 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.

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.6.20	30.6.19 as restated	30.6.20	30.6.19 as restated
	£	£	£	£
Amounts falling due between two and five years:				
Other long term loans	3,454,169	3,421,374	3,454,169	3,421,374
Other convertible loans	750,000	750,000	750,000	750,000
	<u>4,204,169</u>	<u>4,171,374</u>	<u>4,204,169</u>	<u>4,171,374</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

Group

	Non-cancellable operating leases	
	30.6.20	30.6.19 as restated
	£	£
Within one year	888,800	940,000
Between one and five years	2,666,400	2,820,000
	<u>3,555,200</u>	<u>3,760,000</u>

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

18. PROVISIONS FOR LIABILITIES

	Group	
	30.6.20	30.6.19 as restated
	£	£
Deferred tax	<u>1,295</u>	<u>1,295</u>

Group

	Deferred tax
	£
Balance at 1 July 2019	<u>1,295</u>
Balance at 30 June 2020	<u>1,295</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	30.6.20	30.6.19 as restated
Number:	Class:			
			£	£
1,000	Ordinary shares	£1	<u>1,000</u>	<u>1,000</u>

20. RESERVES

Group

	Retained earnings
	£
At 1 July 2019	1,015,271
Prior year adjustment	<u>(91,938)</u>
	923,333
Profit for the year	<u>1,024,288</u>
At 30 June 2020	<u>1,947,621</u>

RACINE RESTAURANTS LIMITED (REGISTERED NUMBER: 07457948)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

20. RESERVES - continued

Company

	Retained earnings £	Share premium £	Totals £
At 1 July 2019	273,781	254,513	528,294
Profit for the year	736,957		736,957
At 30 June 2020	<u>1,010,738</u>	<u>254,513</u>	<u>1,265,251</u>

21. PENSION COMMITMENTS

The company operates a define contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost and charge represents contribution payable by the company to the fund and amounted to £45,326 (2019 : £35,550). There were no prepaid or accrued contribution at 30 June 2020 or 30 June 2019.

22. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

At the balance sheet date, the Group owed its director £62,644 (2019 : £9,431).

23. RELATED PARTY DISCLOSURES

Racine Restaurants Limited is a holding company. At the balance sheet date Racine Restaurants Limited was owed £300,685 (2019 : £143,441) by Oratoire Limited; £634,432 (2019 : £13,322) by Lowndes Street Patisserie Limited; £496,858 (2019 : £795,529) by Park Lane Patisserie Limited; £1,585,470 (2019 : £1,862,374) by Market Place Patisserie Limited; £454,043 (2019 : £61,947 was owed) by Lowndes Street Food Limited; £1,052,472 (2019 : £nil) by St Pancras Patisserie; £33,937 (2019 : £3,888) by Piccadilly Patisserie, £127,139 (2019 : £nil) by EL & N Mobile Limited; £508,712 (2019 : £257,105) Hans Crescent Patisserie Ltd; £517,877 (2019 : £442,585) by Elan Speciality Coffee Limited; and £198,860 (2019 : £nil) Carnaby Street Patisserie Ltd.

The Company owed £755,565 (2019 : £77,112) to Park Lane Food Limited; £223,745 (2019 : £84,518) to Market Place Food Ltd; 486,123 (2019 : £231,819) to Hans Crescent Food Limited; £42,020 (2019 : £2,318, was owed by) to EL&N Limited; £9,099 (2019 : £nil) to EL&N Speciality Coffee Ltd; £257 (2019 : £nil) Oxfordshire Patisserie Limited; and £815,971 (2019 : £453,492 was by) to Pomenta Limited. All these companies are connected by a common directorship.

At the balance sheet date, the company owed £4,204,169 (2019 : £4,171,374) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2020

24. 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.