Company Registration No. 8794400 (England and Wales)

GRIND & CO LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 26 APRIL 2020

GRIND & CO LTD

COMPANY INFORMATION

Directors	Mr D W Abrahamovitch	
	Mr J Ayton	
	Mr D Ogilvy	
	Mr D Sherfield	(Appointed 21 October 2020)
Company number	8794400	
Registered office	8-10 New North Place London England EC2A 4JA	
Auditor	Azets Audit Services 24 Park Road South Havant Hampshire PO9 1HB	

GRIND & CO LTD

CONTENTS

GRIND & CO LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 26 APRIL 2020

The directors present the strategic report for the year ended 26 April 2020.

Fair review of the business
Turnover increased from the prior period by £1.4m (13%) from £10.7m to £12.1m, primarily due to the maturing of sites opened towards the end of the prior year and the growth in online retail sales towards the end of the period. No new sites were opened during the period. One site was refurbished, and one site was extended and refurbished, adding an additional 50 covers.

EBITDA before exceptional costs decreased from a profit of £0.3m to a loss of £0.5m driven primarily by the effects of the Covid-19 lockdown for the last two months of the period, in addition to the temporary site closures for refurbishment and extension.

In July 2019 the company secured a new £4.6m finance facility with its bank HSBC. This enabled the early repayment of the £1.3m Crowdcube bond and the refinance and consolidation of existing HSBC debt and asset finance agreements, as well as securing funding for future capital projects.

On 30th November 2019 the roastery, wholesale and retail trade and assets were hived down into a new subsidiary; Grind Coffee Roasters Ltd. This business is different operationally to the café and restaurant business and so this separation will enable the board to manage the profits and cash flows of the group more effectively.

Covid-19 has had a dramatic impact on our high street business. Like all restaurants in the UK, all sites were forced to close for lockdown between 17th March and 4th July, when we were able to begin to re-open sites as trading conditions permitted. We are happy to report that we were able to retain all staff via the furlough scheme and have done everything we can to support them through the period of lockdown. However as a direct result of the pandemic, our headcount in our high street business has been significantly reduced.

Since re-opening towards the end of the summer, our all-day-all-night business model has enabled us to flex our offering based on the type of trade now available at each site. Some sites have opened with a limited takeaway offering, whilst others are back to the full offering and trading well. We are also fortunate that we are not overly reliant on late night trade, so the effects of the 10pm curfew have not been too severe. In particular, trading in our key restaurant sites has proved resilient, even in very difficult circumstances. As we sign this report, we are of course moving into a second national lockdown, which adds further uncertainty but for which we are as prepared as possible.

Our landlords have been very supportive, and we have agreed rent free periods and further concessions for the vast majority of our high street locations. We will continue to keep our sites open where trade levels permit, delivering the most appropriate offering for each site to maximise trade whilst following the latest government guidance to keep our staff and customers safe.

While the pandemic has negatively impacted the high street, it has significantly boosted our online retail business, with online coffee sales growing dramatically in March and April. While this business is not yet able to fully mitigate the shortfall in restaurant trade during the pandemic, Grind Coffee Roasters Ltd was already run-rate profitable by the final month of the period and we are expecting significant further grown in this business in the future.

Looking forwards, the high street will undoubtedly face some challenges over the coming years and we will need to continually adapt to ensure we can return this to profitability once the pandemic subsides. Our focus for growth in the short term will be to develop Grind Coffee Roasters Ltd and grow the direct to consumer coffee business whilst continuing to grow our global wholesale partnerships with some of the world's leading hospitality groups.

Key performance indicators

Management utilises a number of qualitative and quantitative indicators to monitor and improve the company's performance. The company considers turnover and EBITDA to be key financial performance indicators.

	2020	2019
	£	£
Turnover	12,056,251	10,684,783
EBITDA	(519,115)	271,779

Principal risks and uncertainties

As with any business in the hospitality sector, it is vulnerable to certain risks which may impact on consumer confidence and the cost of running the business. The directors and management team regularly review these risks to ensure they continue to be managed effectively.

Inflationary pressures continue to impact staff costs and supply prices. The company continues to review all costs to the business and undertake supplier negotiations in order to mitigate these pressures.

There is little credit risk in the company as the majority of customers pay by credit card at point of sale.

Whilst Brexit will be unlikely to influence our business directly, as our turnover and supply chain is predominately UK based, there is a concern that a general drag effect might hold the business back from growing as quickly as it would without Brexit. Our diversification into online retail sales will assist in mitigating any shortfall in trade that we may see on the high street.

Covid-19 and the measures put in place by the Government to deal with the pandemic have had an unprecedented impact on the company since March. This includes lock-down from mid-March, and post year end re-opening hospitality subject to strict social-distancing rules.

We have taken steps to reduce costs to the minimum wherever possible, and fully utilised the various Government-backed schemes and grants available to businesses, including obtaining a CBIL loan and a new trade finance facility to fund the working capital of our growing retail sales in order to put the business in the best possible position for the future. Further mitigating action may be necessary as we see how trading under the restrictions develops.

GRIND & CO LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 26 APRIL 2020

Going concern
The directors have undertaken extensive financial modelling and determined that the expected "most likely" scenario shows financial headroom to the end of 2021 is sufficient. Factors such as a second lock-down, a medium-term reduction in demand (or capacity) for eat-in food and drink have been considered and modelled in assessing the company's ability to continue as a going concern.

There is a degree of uncertainty around scenario modelling in the current climate that cannot be avoided. If factors change significantly, it could impact on the company as a going concern and further mitigating action may be necessary. However, on the basis of their current projections the directors consider they have a reasonable expectation that the company has sufficient resources to continue as a going concern. Accordingly, they continue to acopt the going concern basis in preparing these financial statements.

On behalf of the board

Mr D W Abrahamovitch
Director
9 November 2020

DIRECTORS' REPORT

FOR THE YEAR ENDED 26 APRIL 2020

The directors present their annual report and financial statements for the year ended 26 April 2020.

Principal activities
The principal activity of the company and group continued to be that of the operation and management of cafes and restaurants.

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

Mr D W Abrahamovitch	
Mr J Ayton	
Mr C Karyotakis	(Resigned 21 October 2020)
Mr D Ogilvy	
Mr D Sherfield	(Appointed 21 October 2020)

Results and dividends
The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement
The group's policy is to consult and discuss with employees, through staff councils and at meetings.

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

Auditor
On 7 September 2020 Group Audit Service Limited trading as Wilkins Kennedy Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of review of the business and information material to the group's strategy and management of financial risk exposure.

Statement of disclosure to auditor

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

On behalf of the board

Mr D W Abrahamovitch

Director

9 November 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRIND & CO LTD

Opinion
We have audited the financial statements of Grind & Co Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 26 April 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and 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 FRS 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 the parent company's affairs as at 26 April 2020 and of the group's loss 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company'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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Richard Hutchinson (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

10 November 2020

GRIND & CO LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 26 APRIL 2020

	Notes	2020 £	2019 £
Turnover	3	12,056,251	10,684,783
Cost of sales		(3,710,377)	(2,885,842)
Gross profit		8,345,874	7,798,941
Administrative expenses		(10,483,758)	(8,707,939)
Other operating income		456,615	290
Operating loss	4	(1,681,269)	(908,708)
Interest receivable and similar income	8	9,977	3,301
Interest payable and similar expenses	9	(118,041)	(110,608)
Loss before taxation		(1,789,333)	(1,016,015)
Tax on loss	10	351,306	(16,195)
Loss for the financial year		(1,438,027)	(1,032,210)
Loss for the financial year is attributable to:			
- Owners of the parent company		(1,437,643)	(1,032,210)
- Non-controlling interests		(384)	-
		(1,438,027)	(1,032,210)
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(1,437,643)	(1,032,210)
- Non-controlling interests		(384)	-
		(1,438,027)	(1,032,210)

GRIND & CO LTD

GROUP BALANCE SHEET

AS AT 26 APRIL 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	**11**		614,991		600,397
Tangible assets	**12**		4,740,709		3,619,610
			5,355,700		4,220,007
Current assets					
Stocks	**16**	423,224		235,477	
Debtors	**17**	1,536,473		1,631,328	
Cash at bank and in hand		1,016,793		3,096,846	
		2,976,490		4,963,651	
Creditors: amounts falling due within one year	**18**	(2,675,433)		(3,589,411)	
Net current assets			301,057		1,374,240
Total assets less current liabilities			5,656,757		5,594,247
Creditors: amounts falling due after more than one year	**19**		(2,334,377)		(482,534)
Provisions for liabilities	**21**		945,011		593,705
Net assets			4,267,391		5,705,418
Capital and reserves					
Called up share capital	**23**		37,983		37,983
Share premium account	**24**		10,182,734		10,182,734
Profit and loss reserves			(5,951,984)		(4,515,299)
Equity attributable to owners of the parent company			4,268,733		5,705,418
Non-controlling interests			(1,342)		-
			4,267,391		5,705,418

The financial statements were approved by the board of directors and authorised for issue on 9 November 2020 and are signed on its behalf by:

Mr D W Abrahamovitch
Director

GRIND & CO LTD

COMPANY BALANCE SHEET

AS AT 26 APRIL 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		614,991		600,397
Tangible assets	12		4,210,255		3,619,610
Investments	13		4		3
			4,825,250		4,220,010
Current assets					
Stocks	16	117,881		235,477	
Debtors	17	2,313,959		1,631,325	
Cash at bank and in hand		908,174		3,096,846	
		3,340,014		4,963,648	
Creditors: amounts falling due within one year	18	(2,441,544)		(3,589,411)	
Net current assets			898,470		1,374,237
Total assets less current liabilities			5,723,720		5,594,247
Creditors: amounts falling due after more than one year	19		(2,334,377)		(482,534)
Provisions for liabilities	21		933,225		593,705
Net assets			4,322,568		5,705,418
Capital and reserves					
Called up share capital	23		37,983		37,983
Share premium account	24		10,182,734		10,182,734
Profit and loss reserves			(5,898,149)		(4,515,299)
Total equity			4,322,568		5,705,418

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,382,850 (2019 - £535,565 loss).

The financial statements were approved by the board of directors and authorised for issue on 9 November 2020 and are signed on its behalf by:

Mr D W Abrahamovitch
Director

Company Registration No. 8794400

GRIND & CO LTD

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 26 APRIL 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 29 April 2018		33,244	6,260,354	(3,483,089)	2,810,509	-	2,810,509
Year ended 28 April 2019:							
Loss and total comprehensive income for the year		-	-	(1,032,210)	(1,032,210)	-	(1,032,210)
Issue of share capital	23	4,739	3,922,380	-	3,927,119	-	3,927,119
Balance at 28 April 2019		37,983	10,182,734	(4,515,299)	5,705,418	-	5,705,418
Year ended 26 April 2020:							
Loss and total comprehensive income for the year		-	-	(1,437,643)	(1,437,643)	(384)	(1,438,027)
Adjustment on issue of non-controlling interest shares		-	-	958	958	(958)	-
Balance at 26 April 2020		37,983	10,182,734	(5,951,984)	4,268,733	(1,342)	4,267,391

GRIND & CO LTD

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 26 APRIL 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 29 April 2018		33,244	6,260,354	(3,979,734)	2,313,864
Year ended 28 April 2019:					
Loss and total comprehensive income for the year		-	-	(535,565)	(535,565)
Issue of share capital	**23**	4,739	3,922,380	-	3,927,119
Balance at 28 April 2019		37,983	10,182,734	(4,515,299)	5,705,418
Year ended 26 April 2020:					
Loss and total comprehensive income for the year		-	-	(1,382,850)	(1,382,850)
Balance at 26 April 2020		37,983	10,182,734	(5,898,149)	4,322,568

GRIND & CO LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 26 APRIL 2020

		2020		2019	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash absorbed by operations	**29**		(476,299)		(333,899)
Interest paid			(118,041)		(110,608)
Net cash outflow from operating activities			(594,340)		(444,507)
Investing activities					
Purchase of intangible assets		(101,334)		(562,320)	
Purchase of tangible fixed assets		(1,918,726)		(1,579,419)	
Loans made		(33,233)		(58,980)	
Receipts arising from loans made		25,731		36,668	
Interest received		9,977		3,301	
Net cash used in investing activities			(2,017,585)		(2,160,750)
Financing activities					
Proceeds from issue of shares		-		3,927,119	
Repayment of borrowings		(1,289,000)		(158,517)	
Proceeds of new bank loans		2,676,673		569,377	
Repayment of bank loans		(855,801)		(237,829)	
Net cash generated from financing activities			531,872		4,100,150
Net (decrease)/increase in cash and cash equivalents			(2,080,053)		1,494,893
Cash and cash equivalents at beginning of year			3,096,846		1,601,953
Cash and cash equivalents at end of year			1,016,793		3,096,846

1 Accounting policies

Company information
Grind & Co Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 8-10 New North Place, London, England, EC2A 4JA.

The group consists of Grind & Co Ltd and all of its subsidiaries.

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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

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

1.2 Basis of consolidation
In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1 Accounting policies **(Continued)**

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

All financial statements are made up to 26 April 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the g roup.

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

The group profit and loss account and statement of cash flows include the results and cash flows of Grind Coffee Roasters Limited for the seven month period from its incorporation on 11 October 2019. Grind Coffee Roasters Limited commenced trading from 1 December 2019.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors consider the going concern basis appropriate, having considered the current circumstances of the business and various financial modelling scenarios in light of the current economic uncertainties surrounding the Covid-19 pandemic.

They have undertaken extensive financial modelling and determined that the expected "most likely" scenario shows financial headroom to the end of 2021 is sufficient. Factors such as a second lock-down, a medium-term reduction in demand (or capacity) for eat-in food and drink have been considered and modelled in assessing the company's ability to continue as a going concern. Further detailed comments are included in the strategic report on page 2. There is a degree of uncertainty around scenario modelling in the current climate that cannot be avoided. If factors change significantly, it could impact on the company as a going concern and further mitigating action may be necessary.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1 Accounting policies **(Continued)**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (on dispatch of the goods for online sales and when goods are supplied to customers in cafes and restaurants), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets other than goodwill

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

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

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

Patents & licences	5 years
Development costs	5 years
Lease rights	Over term of the lease
Customer list	5 years

1.7 Tangible fixed assets

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

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

Leasehold improvements	10% striaght line
Plant and equipment	25% straight line
Computers	25% straight line
Motor vehicles	20% straight line

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

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1 Accounting policies **(Continued)**

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

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.12 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.13 Equity instruments

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

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

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

The directors do not consider temporary rent concessions granted during the Covid-19 pandemic should be treated as variations to lease terms, and as such they are recognised over the period granted, not spread over the term of the lease.

1.18 Government grants

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

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

2 Judgements and key sources of estimation uncertainty

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

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

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

Leases
In determining whether a lease meets the definition of a finance lease or operating lease the directors have used their experience to review and consider whether the company has obtained all the risks and rewards of ownership of the asset, what the useful economic life of the asset is, the term of the lease and what the residual value of the asset is expected to be. On the basis of these considerations the directors have determined that all leases meet the definition of operating leases and have been accounted for as such.

Depreciation
The directors use their experience to review and estimate useful economic lives and residual values of all assets, taking into account both standards of maintenance and technical obsolescence. Depreciation policies as noted within the accounting policies are based upon these estimates.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Sale of goods	11,847,413	10,513,397
Rental income	208,838	171,386
	12,056,251	10,684,783

	2020	2019
	£	£
Other significant revenue		
Interest income	9,977	3,301
Grants received	400,001	-

	2020	2019
	£	£
Turnover analysed by geographical market		
UK	12,056,251	10,684,783

4 Operating loss

	2020	2019
	£	£
Operating loss for the year is stated after charging/(crediting):		
Research and development costs	65,558	62,835
Government grants	(400,001)	-
Depreciation of owned tangible fixed assets	797,627	457,687
Amortisation of intangible assets	86,740	45,940
Operating lease charges	1,271,850	1,184,295

5 Auditor's remuneration

	2020	2019
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	23,000	18,000

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2020	2019	2020	2019
	Number	Number	Number	Number
Directors	4	4	4	4
Admin	23	16	23	16
Retail	258	209	254	209
Total	285	229	281	229

Their aggregate remuneration comprised:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	5,160,683	4,300,500	5,096,731	4,300,500
Social security costs	362,186	311,992	355,670	311,992
Pension costs	79,178	46,427	78,106	46,427
	5,602,047	4,658,919	5,530,507	4,658,919

The above totals represent the total number of employees under contract during the year. The total full time equivalent is 243 (2019 240).

7 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	177,873	139,235
Company pension contributions to defined contribution schemes	1,317	813
	179,190	140,048

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

Directors' remuneration covers three directors. The other director received no remuneration.

8 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	8,920	3,301
Other interest income	1,057	-
Total income	9,977	3,301

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	118,041	110,608

10 Taxation

	2020	2019
	£	£
Deferred tax		
Origination and reversal of timing differences	(351,306)	16,195

10 Taxation **(Continued)**

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Loss before taxation	(1,789,333)	(1,016,015)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(339,973)	(193,043)
Tax effect of expenses that are not deductible in determining taxable profit	-	7,780
Depreciation on assets not qualifying for tax allowances	40,143	25,451
Change in rate	(51,476)	176,007
Taxation (credit)/charge	(351,306)	16,195

11 Intangible fixed assets

Group	Patents & licences	Development costs	Lease rights	Customer list	Total
	£	£	£	£	£
Cost					
At 29 April 2019	24,460	96,244	499,999	51,000	671,703
Additions	1,400	99,934	-	-	101,334
At 26 April 2020	25,860	196,178	499,999	51,000	773,037
Amortisation and impairment					
At 29 April 2019	7,877	25,940	17,089	20,400	71,306
Amortisation charged for the year	4,914	26,753	44,873	10,200	86,740
At 26 April 2020	12,791	52,693	61,962	30,600	158,046
Carrying amount					
At 26 April 2020	13,069	143,485	438,037	20,400	614,991
At 28 April 2019	16,583	70,304	482,910	30,600	600,397

11 Intangible fixed assets **(Continued)**

Company	Patents & licences	Development costs	Lease rights	Customer list	Total
	£	£	£	£	£
Cost					
At 29 April 2019	21,475	96,244	499,999	51,000	668,718
Additions	1,400	99,934	-	-	101,334
At 26 April 2020	22,875	196,178	499,999	51,000	770,052
Amortisation and impairment					
At 29 April 2019	4,892	25,940	17,089	20,400	68,321
Amortisation charged for the year	4,914	26,753	44,873	10,200	86,740
At 26 April 2020	9,806	52,693	61,962	30,600	155,061
Carrying amount					
At 26 April 2020	13,069	143,485	438,037	20,400	614,991
At 28 April 2019	16,583	70,304	482,910	30,600	600,397

12 Tangible fixed assets

Group	Leasehold improvements	Plant and equipment	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 29 April 2019	3,507,902	1,163,416	204,292	16,350	4,891,960
Additions	770,439	1,081,761	28,376	38,150	1,918,726
At 26 April 2020	4,278,341	2,245,177	232,668	54,500	6,810,686
Depreciation and impairment					
At 29 April 2019	763,060	414,901	94,389	-	1,272,350
Depreciation charged in the year	367,280	379,151	40,840	10,356	797,627
At 26 April 2020	1,130,340	794,052	135,229	10,356	2,069,977
Carrying amount					
At 26 April 2020	3,148,001	1,451,125	97,439	44,144	4,740,709
At 28 April 2019	2,744,842	748,515	109,903	16,350	3,619,610

12 Tangible fixed assets **(Continued)**

Company	Leasehold improvements	Plant and equipment	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 29 April 2019	3,342,573	980,091	156,674	16,350	4,495,688
Additions	762,579	814,305	27,360	38,150	1,642,394
Disposals	(92,172)	(227,491)	(7,115)	-	(326,778)
At 26 April 2020	4,012,980	1,566,905	176,919	54,500	5,811,304
Depreciation and impairment					
At 29 April 2019	597,731	231,576	46,771	-	876,078
Depreciation charged in the year	363,380	341,069	40,065	10,356	754,870
Eliminated in respect of disposals	(3,851)	(25,567)	(481)	-	(29,899)
At 26 April 2020	957,260	547,078	86,355	10,356	1,601,049
Carrying amount					
At 26 April 2020	3,055,720	1,019,827	90,564	44,144	4,210,255
At 28 April 2019	2,744,842	748,515	109,903	16,350	3,619,610

13 Fixed asset investments

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Investments in subsidiaries	14	-	-	4	3

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 29 April 2019	3
Additions	1
At 26 April 2020	4
Carrying amount	
At 26 April 2020	4
At 28 April 2019	3

14 Subsidiaries

Details of the company's subsidiaries at 26 April 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Grind Coffee Roasters Limited	UK	Ordinary	97.50
Exmouth Market Grind Limited	UK	Ordinary	100.00
Caffeine Machine Limited	UK	Ordinary	100.00
Grind (Broadgate) Limited	UK	Ordinary	100.00

15 Financial instruments

There are no financial assets or financial liabilities at fair value through profit and loss.

16 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Raw materials and consumables	423,224	235,477	117,881	235,477

17 Debtors

Amounts falling due within one year:	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade debtors	280,555	211,046	120,244	211,046
Amounts owed by group undertakings	-	-	1,018,195	-
Other debtors	240,240	314,799	163,519	314,796
Prepayments and accrued income	577,852	662,967	574,175	662,967
	1,098,647	1,188,812	1,876,133	1,188,809
Amounts falling due after more than one year:				
Other debtors	437,826	442,516	437,826	442,516
Total debtors	1,536,473	1,631,328	2,313,959	1,631,325

18 Creditors: amounts falling due within one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Bank loans	20	217,296	248,267	217,296	248,267
Other borrowings	20	-	1,289,000	-	1,289,000
Trade creditors		1,250,701	1,061,618	1,088,724	1,061,618
Other taxation and social security		542,691	270,519	542,691	270,519
Other creditors		275,882	319,691	273,640	319,691
Accruals and deferred income		388,863	400,316	319,193	400,316
		2,675,433	3,589,411	2,441,544	3,589,411

19 Creditors: amounts falling due after more than one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Bank loans and overdrafts	20	2,334,377	482,534	2,334,377	482,534

20 Loans and overdrafts

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	2,551,673	730,801	2,551,673	730,801
Other loans	-	1,289,000	-	1,289,000
	2,551,673	2,019,801	2,551,673	2,019,801
Payable within one year	217,296	1,537,267	217,296	1,537,267
Payable after one year	2,334,377	482,534	2,334,377	482,534

The bank loan is secured by a fixed and floating charge over the group's assets.

The bank loan matures in August 2024. Interest is charged at 2.98% over base.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	411,223	287,531
Tax losses	(1,356,234)	(881,236)
	(945,011)	(593,705)

Company	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	409,614	287,531
Tax losses	(1,342,839)	(881,236)
	(933,225)	(593,705)

Movements in the year:	Group 2020 £	Company 2020 £
Asset at 29 April 2019	(593,705)	(593,705)
Credit to profit or loss	(243,622)	(231,836)
Effect of change in tax rate - profit or loss	(107,684)	(107,684)
Asset at 26 April 2020	(945,011)	(933,225)

The group has unused tax losses of £7,145,779 (2019 £5,183,739)

22 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	79,178	46,427

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

23 Share capital

	Group and company	
	2020	2019
Ordinary share capital	£	£
Issued and fully paid		
14,565,000 Ordinary of 0.1p each	14,565	14,565
888,000 Ordinary A of 0.1p each	888	888
5,172,000 Ordinary B of 0.1p each	5,172	5,172
1,939,000 Ordinary C of 0.1p each	1,939	1,939
3,334,000 Ordinary S of 0.1p each	3,334	3,334
2,594,000 Ordinary R of 0.1p each	2,594	2,594
1,607,153 Ordinary T of 0.1p each	1,607	1,607
6,828,963 Ordinary CC-A of 0.1p each	6,829	6,829
1,055,284 Ordinary CC-B of 0.1p each	1,055	1,055
	37,983	37,983

All share classes except for CC-B shares rank equally for voting purposes. On a show of hands, each member shall have one vote and on a poll each member shall have one vote per share held. Each share ranks equally for any dividend declared and on distribution rights on winding up. CC-B shares do not have voting rights or pre-emption rights but otherwise rank equally for all other economic purposes including winding up.

24 Share premium account

Share premium accounts consists of the consideration paid for share capital above its nominal value.

25 Operating lease commitments

Lessee

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Within one year	1,120,862	1,230,768	1,119,962	1,230,768
Between two and five years	4,408,383	4,282,786	4,408,383	4,282,786
In over five years	6,664,927	7,034,606	6,664,927	7,034,606
	12,194,172	12,548,160	12,193,272	12,548,160

25 Operating lease commitments **(Continued)**

Lessor

The operating leases represent short term leases in relation to spare office space that the group rent.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Within one year	187,100	44,000	187,100	44,000
Between two and five years	71,400	-	71,400	-
	258,500	44,000	258,500	44,000

During the period the entity benefited from temporary rent concessions occurring as a direct consequence of the Covid-19 pandemic. The result of this was a deduction in the P&L charge of £70,446.

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	516,257	468,086

Transactions with related parties

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

	Sales		Purchases	
	2020	2019	2020	2019
	£	£	£	£
Group				
Entities over which the group has control, joint control or significant influence	39,468	-	84,507	-
	-	-	-	60,000
Entities that provide key management personnel services	-	-	95,543	-
Other related parties	9,850	-	-	-
Company				
Entities with control, joint control or significant influence over the company	39,468	-	84,507	-
	-	-	95,543	-
Other related parties	9,850	-	-	-

26 Related party transactions **(Continued)**

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	**2020**	**2019**
	£	**£**
Group		
Entities over which the group has control, joint control or significant influence	39,732	-
Entities that provide key management personnel services	5,100	-
Company		
	5,100	-

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	**2020**
	Balance
	£
Group	
Entities over which the group has control, joint control or significant influence	1,047,481
Other related parties	11,820
Company	
Other related parties	11,820

27 Directors' transactions

Description	**% Rate**	**Opening balance**	**Amounts advanced**	**Interest charged**	**Amounts repaid**	**Closing balance**
		£	**£**	**£**	**£**	**£**
Directors	2.50	36,234	32,166	1,057	(25,711)	43,746
		36,234	32,166	1,057	(25,711)	43,746

28 Controlling party

In the opinion of the directors, there is no ultimate single controlling party. The directors directly own 22% of the share capital.

29 Cash absorbed by group operations

	2020	2019
	£	£
Loss for the year after tax	(1,438,027)	(1,032,210)
Adjustments for:		
Taxation (credited)/charged	(351,306)	16,195
Finance costs	118,041	110,608
Investment income	(9,977)	(3,301)
Amortisation and impairment of intangible assets	86,740	45,940
Depreciation and impairment of tangible fixed assets	797,627	457,687
Movements in working capital:		
Increase in stocks	(187,747)	(163,996)
Decrease/(increase) in debtors	102,357	(523,932)
Increase in creditors	405,993	759,110
Cash absorbed by operations	(476,299)	(333,899)

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

	29 April 2019	Cash flows	26 April 2020
	£	£	£
Cash at bank and in hand	3,096,846	(2,080,053)	1,016,793
Borrowings excluding overdrafts	(2,019,801)	(531,872)	(2,551,673)
	1,077,045	(2,611,925)	(1,534,880)