

Registered number: 03295512

**ARTIZIAN CATERING SERVICES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**



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**ARTIZIAN CATERING SERVICES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	A S Frith J Marriott A Botting
<b>Registered number</b>	03295512
<b>Registered office</b>	10 Queen Street Place London EC4R 1AG
<b>Independent auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

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**ARTIZIAN CATERING SERVICES LIMITED**

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**CONTENTS**

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	Page
<b>Strategic Report</b>	<b>1 - 3</b>
<b>Directors' Report</b>	<b>4 - 5</b>
<b>Independent Auditors' Report</b>	<b>6 - 8</b>
<b>Statement of Comprehensive Income</b>	<b>9</b>
<b>Statement of Financial Position</b>	<b>10</b>
<b>Statement of Changes in Equity</b>	<b>11</b>
<b>Statement of Cash Flows</b>	<b>12</b>
<b>Analysis of Net Debt</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14 - 24</b>

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## ARTIZIAN CATERING SERVICES LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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#### Introduction

The directors present their strategic report and financial statements for the year ended 31 March 2020.

#### Business review

An increase of 5% against last year's turnover position, which would have been higher, however most sites reverted to working from home from mid-March 2020, resulting in a turnover drop off for the latter half of that month.

A renewal of 3 of the largest contracts were successfully negotiated and accolades received in 2019/20 included:

- Retention of Investors In People accreditation
- Investors In People Health & Wellbeing accreditation
- Women Enterprise Business Certification renewed
- Retention of SRA 3 star accreditation and on the list of the Top 20 Food Made Good Sustainable Businesses 2019
- Finalist in the StrEAT Food Awards
- Finalist in the FSM Awards for Marketing
- Corporate Health & Vitality Honours runner up

COVID 19 is considered to be an adjusting event. The balance due from Beluga London Limited, a company under common ownership, was written off and included as an exceptional item as the year end. The directors have taken the view that the balance will no longer be recoverable given the impact of the pandemic on the company and industry.

#### Strategic Management

Artizian continues to focus on the Business and Industry segment of the Foodservice management sector, primarily in London and the South East. It is a boutique nutritionally led and chef inspired catering and hospitality business, delivering food service solutions, and likes to see itself as architects of workplace feeding and nutrition. Contracts are usually for a duration of 3 + an option to extend by a further 2 years.

Added value is delivered via its Workplace Health and Wellbeing focus: Nutrition Bites, as healthy workplaces are becoming more topical and especially as over 2/3 of what an employee eats is whilst they are at work. Remaining an independent SME is integral to its success and a revised goal of £20m turnover is a key objective for the next 3 years to attain an optimal point of stability in today's churn market.

Growth is increasingly being generated through working with FM companies and this is leading to potential opportunities in the education sector, where health and wellbeing has become an important factor. Artizian's nutritionally led and chef inspired approach is a good fit for this sector. Opportunities are also derived from the reduction in competitors through increasing acquisitions of some of the other independent operators, which is believed will continue as unlike Artizian, some companies do not have the required cash reserves to see through the lost revenues from the impact of Stay at Home.

A successful relaunch of the brand 'We are Artizian' took place in June 2019 with a 'Taste of Artizian' event for current and potential clients, alongside a cascade of Artizian's 6 pillars and business plan to all team players. With many team players having been on Furlough Leave since March 2020, the site managers and Head Office are currently undergoing a Pivot workshop to get everyone business ready for the new ways of working and reinforcing the 'We are Artizian' ethos and culture.

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## ARTIZIAN CATERING SERVICES LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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#### Strategic management (continued)

Other key objectives include:

- Focus on rebuilding the business following COVID and the resultant site closures and team reductions
- Working with clients to deliver their new ways of working at all our sites
- Continuing to win recognition through awards and accolades
- Helping and supporting clients to improve their CSR credentials and delivering against our own CSR Strategy

#### Principal risks and uncertainties

The impact of COVID has been significant in the hospitality sector and with most sites closed, resulting in an initial drop in revenue of 85%, Artizian took very swift action at Head Office and site level to minimise costs and losses. The actual loss is a third of the originally anticipated projection, due to the proactive approach to minimising costs which started in March 2020. This, alongside cash reserves generated from years of not taking dividends, has enabled us to stay strong throughout the difficulties facing our sector.

During this period, we have communicated and worked with our clients to deliver options and proposals for the future and are ready for the business openings. It is also clear from the number of tender opportunities we are receiving, that many companies have started working on future working and we are well placed to support.

We do however recognise that business levels will be a slow ramp up as many sites are reopening with a projected 35% of previous occupancy levels, and with the increase in home working becoming a permanent feature, the maximum occupancy is expected to be 54% of original occupancy levels, and primarily employees will be in the office Tuesday to Thursday.

Having experienced the change in customer behaviour of sites that have been open during the Stay at Home restrictions, we believe many customers from a confidence and trust perspective, will uptake the catering services in their offices in preference to eating outside. It is also recognised that meetings and events will be significantly less than previous as virtual meetings will continue

Client payment terms are improving with an understanding that as an SME dealing with COVID we require swifter payment, and they are responding positively.

#### Financial key performance indicators

The directors use turnover, gross profit, operating profit, profit before tax and cash flow as its key performance indicators. These key performance indicators are used to ensure the company's ability to continue to grow and remain profitable.

	2020	2019
Turnover	£12,542,261	£11,977,750
Operating profit	£(182,546)	£70,349
EBITDA	£(170,073)	£83,866
Adjusted EBITDA*	£78,563	£83,866

\* Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and non-recurring items such as exceptional costs.

Diversity and Inclusion continues to be evident throughout Artizian and in addition 51% of team players are female, a ratio which runs across all positions except chef roles that remain predominantly male.

Focus on CSR remains prominent across our sector and our retention of ISO14001 and Food Made Good's SRA 3 star accreditation as well as being on the list of the Top 20 Food Made Good Sustainable Businesses 2019, reflects this.

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ARTIZIAN CATERING SERVICES LIMITED

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020

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**Future developments**

Continuing to increase use of technology within services delivered.

This report was approved by the board on 26 March 2021 and signed on its behalf.

*Alison S Frith*

**A S Frith**  
Director

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## **ARTIZIAN CATERING SERVICES LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020**

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The directors present their report and the financial statements for the year ended 31 March 2020.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

#### **Results and dividends**

The loss for the year, after taxation, amounted to £195,596 (2019 - profit £56,187).

#### **Directors**

The directors who served during the year were:

A S Frith  
J Marriott  
A Botting

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**ARTIZIAN CATERING SERVICES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 March 2021 and signed on its behalf.

*Alison S Frith*

A S Frith  
Director



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**ARTIZIAN CATERING SERVICES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTIZIAN CATERING SERVICES LIMITED**

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**Opinion**

We have audited the financial statements of Artizian Catering Services Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 Company's affairs as at 31 March 2020 and of its 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 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.

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**ARTIZIAN CATERING SERVICES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTIZIAN CATERING SERVICES LIMITED  
(CONTINUED)**

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**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 Auditors' 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.

**Opinion 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

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**ARTIZIAN CATERING SERVICES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTIZIAN CATERING SERVICES LIMITED  
(CONTINUED)**

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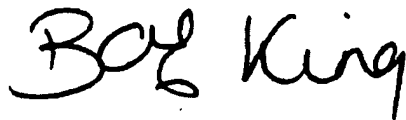
**Auditors' responsibilities for the audit of the financial statements**

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 an Auditors' 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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.



Bernadette King (Senior Statutory Auditor)  
for and on behalf of  
**Haysmacintyre LLP**  
Statutory Auditors  
10 Queen Street Place  
London  
EC4R 1AG

26 March 2021

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**ARTIZIAN CATERING SERVICES LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020**

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	Note	2020 £	2019 £
Turnover	4	12,542,261	11,977,750
Cost of sales		(11,246,657)	(10,755,341)
<b>Gross profit</b>		<u>1,295,604</u>	<u>1,222,409</u>
Administrative expenses		(1,231,470)	(1,152,060)
Write down of debt due	11	(248,636)	-
<b>Operating (loss)/profit</b>	5	<u>(184,502)</u>	<u>70,349</u>
Interest receivable and similar income	9	1,956	1,367
<b>(Loss)/profit before tax</b>		<u>(182,546)</u>	<u>71,716</u>
Tax on (loss)/profit	10	(13,050)	(15,529)
<b>(Loss)/profit for the financial year</b>		<u><u>(195,596)</u></u>	<u><u>56,187</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 14 to 24 form part of these financial statements.

**ARTIZIAN CATERING SERVICES LIMITED**  
**REGISTERED NUMBER:03295512**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	7,407	14,729
		<u>7,407</u>	<u>14,729</u>
<b>Current assets</b>			
Stocks	13	30,063	36,059
Debtors: amounts falling due after more than one year	14	-	311,556
Debtors: amounts falling due within one year	14	1,560,617	1,883,875
Cash at bank and in hand	15	734,534	525,880
		<u>2,325,214</u>	<u>2,757,370</u>
Creditors: amounts falling due within one year	16	(1,696,374)	(1,940,256)
<b>Net current assets</b>		628,840	817,114
<b>Net assets</b>		<u>636,247</u>	<u>831,843</u>
<b>Capital and reserves</b>			
Called up share capital	17	16,200	16,200
Share premium account	18	48,100	48,100
Profit and loss account	18	571,947	767,543
		<u>636,247</u>	<u>831,843</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 March 2021.

*Alison S Frith*

**A S Frith**  
Director

The notes on pages 14 to 24 form part of these financial statements.

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**ARTIZIAN CATERING SERVICES LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2019	16,200	48,100	767,543	831,843
Loss for the year	-	-	(195,596)	(195,596)
<b>At 31 March 2020</b>	<b>16,200</b>	<b>48,100</b>	<b>571,947</b>	<b>636,247</b>

The notes on pages 14 to 24 form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2018	16,200	48,100	711,356	775,656
Profit for the year	-	-	56,187	56,187
<b>At 31 March 2019</b>	<b>16,200</b>	<b>48,100</b>	<b>767,543</b>	<b>831,843</b>

The notes on pages 14 to 24 form part of these financial statements.

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**ARTIZIAN CATERING SERVICES LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2020**

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	2020 £	2019 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(195,596)	56,187
<b>Adjustments for:</b>		
Depreciation of tangible assets	12,473	13,517
Interest received	(1,956)	(1,367)
Taxation charge	13,050	15,529
Decrease/(increase) in stocks	5,996	(11,534)
Decrease/(increase) in debtors	629,952	(237,556)
Decrease in amounts owed by groups	4,862	12,526
(Decrease)/increase in creditors	(241,404)	126,237
Corporation tax (paid)	(15,527)	(16,409)
<b>Net cash generated from operating activities</b>	<u>211,850</u>	<u>(42,870)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(5,151)	(12,171)
Interest received	1,956	1,367
<b>Net cash from investing activities</b>	<u>(3,195)</u>	<u>(10,804)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>208,655</u>	<u>(53,674)</u>
Cash and cash equivalents at beginning of year	<u>525,880</u>	<u>579,554</u>
<b>Cash and cash equivalents at the end of year</b>	<u><u>734,535</u></u>	<u><u>525,880</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u>734,535</u>	<u>525,880</u>
	<u><u>734,535</u></u>	<u><u>525,880</u></u>

The notes on pages 14 to 24 form part of these financial statements.

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**ARTIZIAN CATERING SERVICES LIMITED**

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**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2020**

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	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	525,880	208,655	734,535
	<u>525,880</u>	<u>208,655</u>	<u>734,535</u>

The notes on pages 14 to 24 form part of these financial statements.



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## **ARTIZIAN CATERING SERVICES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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#### **1. General information**

Artizian Catering Services Limited, registered number 03295512, is a private limited company incorporated and domiciled in England and Wales. The address of the registered office is 10 Queen Street Place, London, EC4R 1AG and its trading address is 5 Beech Court, Wokingham Road, Hurst, Berkshire, RG10 0RQ.

The principal activity of the Company is the provision of catering services.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Basis of preparation of financial statements**

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies as set out in note 3.

The following principal accounting policies have been applied:

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## ARTIZIAN CATERING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

At the end of the financial year and in recognition of difficult trading conditions for the year ending 31 March 2021 as a result of the pandemic, a debt of £248,636 was written off. The company had sufficient cash reserves to enable this action without any detriment to trading in the following year. Despite 90% of sites being closed, the directors are forecasting a loss of less than £50k and ample cash reserves.

The directors have prepared a prudent budget and cash flow forecast until 31 March 2022 assuming the worst case in terms of contract income and not allowing for any contract gains. As noted above, the directors are forecasting a loss of less than £50k for the year ending 31 March 2021, returning to a breakeven position in the year ending 31 March 2022.

The directors have prepared a cash burn exercise on an absolute worst-case scenario. This assumes that all income would cease during March 2021 and all costs and obligations would be met. This exercise ultimately confirmed that the company would have sufficient liquidity to meet its liabilities for a minimum of 12 months from signing the financial statements.

The directors have taken a number of mitigating actions during 2020 to reduce the impact of COVID-19 including the reduction of non-essential costs; Head Office redundancies; use of both the Coronavirus Job Retention Scheme ("CJRS") and the VAT new payment scheme, as well as not declaring dividends in the period subsequent to the year ended 31 March 2020. The company has the option to continue to use the CJRS scheme until 30 September 2021 to ensure a phased return to normality.

The directors believe that the greatest material uncertainty is when the contracts will reopen. This has been discussed individually with each Client, the results of which have been reflected in the forecast for the year ending 31 March 2022. The consensus and that of the directors is that the worst is probably over and that the successful rollout of the vaccination programme is key to the ability of Clients being able to re-open their offices.

The forecasts and cash burn exercises performed by the directors, indicate that the company has sufficient funds to continue for at least a further 12 months should the year ending 31 March 2022 prove to be similar or worse than the year ending 31 March 2021.

On this basis, the directors believe that the financial statements should be prepared on a going concern basis.

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## ARTIZIAN CATERING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Office equipment	- 33% straight line basis
Computer equipment	- 25% and 50% straight line basis

##### 2.6 Operating leases

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

##### 2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

##### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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## ARTIZIAN CATERING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

##### 2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.11 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.12 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.13 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

##### 2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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**ARTIZIAN CATERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The directors consider the following items to be areas subject to estimation and judgement.

**Revenue recognition**

The company recognises revenue generally at the time of delivery and when collection of the resulting receivable is reasonably assured. Payments received in advance of revenue recognition are recorded as deferred income in the event that revenue is received but management do not believe the delivery of goods and services has been performed.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Goods and services	12,542,261	11,977,750
	<u>12,542,261</u>	<u>11,977,750</u>

All turnover arose within the United Kingdom.

**5. Operating (loss)/profit**

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

	2020 £	2019 £
Exchange differences	41,378	40,574
Depreciation of tangible fixed assets	12,473	13,517
Defined contribution pension costs	165,892	138,327
	<u>165,892</u>	<u>138,327</u>

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**ARTIZIAN CATERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**6. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	13,400	10,800
<b>Fees payable to the Company's auditor in respect of:</b>		
Taxation compliance services	1,500	1,400
All other services	1,840	2,600
	3,340	4,000

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	4,935,136	4,289,811
Social security costs	443,571	391,816
Cost of defined contribution scheme	165,833	147,651
	5,544,540	4,829,278

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Catering	205	199
Administration	22	18
	227	217

**8. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	246,901	248,608
Company contributions to defined contribution pension schemes	24,633	24,579
	271,534	273,187

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**ARTIZIAN CATERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**9. Interest receivable**

	2020 £	2019 £
Other interest receivable	1,956	1,367

**10. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	13,050	15,529
	13,050	15,529
<b>Total current tax</b>	13,050	15,529
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Taxation on profit on ordinary activities</b>	13,050	15,529

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	(182,546)	71,716
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(34,684)	13,626
<b>Effects of:</b>		
Expenses not deductible for tax purposes	47,241	1,956
Capital allowances for year in excess of depreciation	856	(397)
Other differences leading to an (decrease) / increase in the tax charge	1,014	344
Group relief	(1,377)	-
<b>Total tax charge for the year</b>	13,050	15,529

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**ARTIZIAN CATERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**10. Taxation (continued)****Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**11. Write down of debt due**

	2020 £	2019 £
Other debtor written off	240,758	-
Amounts owed by group undertakings written off	7,878	-
	<u>248,636</u>	<u>-</u>

Other debtor written off relates to a balance due from Beluga London Limited, a company with common ownership. Amounts owed by group undertakings written off was a balance due from Nutrition Bites Limited.

Due to the impact of the COVID-19 pandemic and uncertainty around the ability for the related companies to repay the balances owed, the directors believe that the balances are considered to be no longer recoverable therefore have fully written off the amounts outstanding at the year end.

**12. Tangible fixed assets**

	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2019	11,451	101,998	113,449
Additions	-	5,151	5,151
At 31 March 2020	<u>11,451</u>	<u>107,149</u>	<u>118,600</u>
<b>Depreciation</b>			
At 1 April 2019	10,815	87,905	98,720
Charge for the year on owned assets	636	11,837	12,473
At 31 March 2020	<u>11,451</u>	<u>99,742</u>	<u>111,193</u>
<b>Net book value</b>			
At 31 March 2020	<u>-</u>	<u>7,407</u>	<u>7,407</u>
At 31 March 2019	<u>636</u>	<u>14,093</u>	<u>14,729</u>



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**ARTIZIAN CATERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**13. Stocks**

	2020 £	2019 £
Consumables	30,063	36,059
	<u>30,063</u>	<u>36,059</u>

**14. Debtors**

	2020 £	2019 £
<b>Due after more than one year</b>		
Other debtors	-	311,556
	<u>-</u>	<u>311,556</u>

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	1,535,606	1,854,156
Amounts owed by group undertakings	-	4,862
Other debtors	10,000	10,000
Prepayments and accrued income	11,761	11,607
Tax recoverable	3,250	3,250
	<u>1,560,617</u>	<u>1,883,875</u>

**15. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	734,535	525,880
	<u>734,535</u>	<u>525,880</u>

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**ARTIZIAN CATERING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**16. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	677,858	919,596
Corporation tax	13,050	15,529
Other taxation and social security	500,734	496,454
Other creditors	122,131	151,302
Accruals and deferred income	382,601	357,375
	<u>1,696,374</u>	<u>1,940,256</u>

**17. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
16,200 (2019 - 16,200) Ordinary shares of £1.00 each	<u>16,200</u>	<u>16,200</u>

**18. Reserves****Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

**19. Pension commitments**

The company operates a defined contributions pension scheme and the pension charge of £165,892 (2019: £138,327) represents the amounts payable by the company to the fund in respect of the year. At the year end contributions amounting to £24,113 (2019: £18,306) were outstanding.

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## ARTIZIAN CATERING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 20. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	47,961	40,497
Later than 1 year and not later than 5 years	34,193	17,573
	<u>82,154</u>	<u>58,070</u>

#### 21. Related party transactions

The company has taken advantage of the exemptions of disclosing transactions with related companies under the provision of Section 33 of Financial Reporting Standard 102.

During the year, the company was charged fees of £86,953 (2019: £104,440) from Beluga London Limited, a company in which A S Frith and J K Marriott are directors and shareholders. At 31 March 2020, £nil (2019: £311,556 after a provision of £8,929) was owed by Beluga London Limited. The balance remaining after the fees were charged from Beluga London Limited was fully written off in the year ended 31 March 2020.

Included in other debtors is £10,000 (2019: £10,000) due from J Marriott. The maximum balance outstanding during the year was £10,000. No interest is payable on this balance.

The remuneration of the key management personnel for the year was £258,021 (2019: £295,680).

#### 22. Controlling party

The immediate parent undertaking is Artizian Group Limited, a company incorporated in England and Wales.

The ultimate controlling party is A S Frith.