

**Report of the Directors and
Financial Statements
for the Year Ended 31 May 2013
for
SMITHS OF SMITHFIELD LIMITED**

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SMITHS OF SMITHFIELD LIMITED

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for the Year Ended 31 May 2013**

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SMITHS OF SMITHFIELD LIMITED

**Company Information
for the Year Ended 31 May 2013**

DIRECTORS:

R Munding
H Williams
J Ratcliffe
R Smithson

REGISTERED OFFICE:

67-77 Charterhouse Street
London
EC1M 6HJ

REGISTERED NUMBER:

03704349 (England and Wales)

AUDITORS:

Pembroke Briggs Chartered Accountants
Clive House
12-18 Queens Road
Weybridge
Surrey
KT13 9XB

SMITHS OF SMITHFIELD LIMITED

Report of the Directors for the Year Ended 31 May 2013

The directors present their report with the financial statements of the company for the year ended 31 May 2013

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the operation and management of the restaurants at 66-67 Charterhouse Street, London and 109 Commercial Street, London

REVIEW OF BUSINESS

In general, the Directors are satisfied with the performance of the Company in the year to 31 May 2013 despite challenging trading conditions

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2012 to the date of this report

R Munding
H Williams
J Ratcliffe
R Smithson

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

SMITHS OF SMITHFIELD LIMITED

**Report of the Directors
for the Year Ended 31 May 2013**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Pembroke Briggs Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD:



R Munding - Director

Date

27 February 2014

We have audited the financial statements of Smiths of Smithfield Limited for the year ended 31 May 2013 on pages six to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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, 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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Report of the Directors



S Briggs (Senior Statutory Auditor)
for and on behalf of Pembroke Briggs Chartered Accountants
Clive House
12-18 Queens Road
Weybridge
Surrey
KT13 9XB

Date 27 February 2014

SMITHS OF SMITHFIELD LIMITED

**Profit and Loss Account
for the Year Ended 31 May 2013**

	Notes	31.5 13 £	31 5 12 £
TURNOVER		8,325,759	9,306,435
Cost of sales		2,403,036	2,734,303
GROSS PROFIT		5,922,723	6,572,132
Administrative expenses		5,558,515	6,410,540
		364,208	161,592
Other operating income		9,565	5,674
OPERATING PROFIT	3	373,773	167,266
Interest payable and similar charges	4	100,951	85,864
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		272,822	81,402
Tax on profit on ordinary activities	5	22,572	15,154
PROFIT FOR THE FINANCIAL YEAR		250,250	66,248

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

SMITHS OF SMITHFIELD LIMITED (REGISTERED NUMBER: 03704349)

Balance Sheet
31 May 2013

	Notes	31 5 13 £	£	31 5.12 £	£
FIXED ASSETS					
Tangible assets	6		4,075,316		4,219,716
CURRENT ASSETS					
Stocks	7	185,142		191,088	
Debtors	8	1,187,345		869,514	
Cash at bank		158,426		168,708	
		<u>1,530,913</u>		<u>1,229,310</u>	
CREDITORS					
Amounts falling due within one year	9	<u>2,369,669</u>		<u>2,323,455</u>	
NET CURRENT LIABILITIES			<u>(838,756)</u>		<u>(1,094,145)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,236,560		3,125,571
CREDITORS					
Amounts falling due after more than one year	10		(1,546,348)		(1,643,438)
PROVISIONS FOR LIABILITIES	13		<u>(134,935)</u>		<u>(177,106)</u>
NET ASSETS			<u><u>1,555,277</u></u>		<u><u>1,305,027</u></u>

The notes form part of these financial statements

SMITHS OF SMITHFIELD LIMITED (REGISTERED NUMBER. 03704349)

Balance Sheet - continued
31 May 2013

	Notes	31 5.13 £	£	31 5 12 £	£
CAPITAL AND RESERVES					
Called up share capital	14		6,482		6,482
Capital redemption reserve	15		785,345		785,345
Profit and loss account	15		763,450		513,200
SHAREHOLDERS' FUNDS	17		<u>1,555,277</u>		<u>1,305,027</u>

The financial statements were approved by the Board of Directors on
and were signed on its behalf by

27 February 2014



R Munding - Director

The notes form part of these financial statements

SMITHS OF SMITHFIELD LIMITED

**Cash Flow Statement
for the Year Ended 31 May 2013**

	Notes	31 5 13 £	£	31 5 12 £	£
Net cash inflow from operating activities	1		373,800		210,565
Returns on investments and servicing of finance	2		(100,951)		(85,864)
Taxation			(54,120)		(30,639)
Capital expenditure	2		(266,654)		(123,461)
Decrease in cash in the period			<u>(47,925)</u>		<u>(29,399)</u>
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(47,925)		(29,399)	
Cash outflow from decrease in debt		<u>159,453</u>		<u>422,171</u>	
Change in net debt resulting from cash flows			<u>111,528</u>		<u>392,772</u>
Movement in net debt in the period			111,528		392,772
Net debt at 1 June			<u>(2,102,713)</u>		<u>(2,495,485)</u>
Net debt at 31 May			<u>(1,991,185)</u>		<u>(2,102,713)</u>

The notes form part of these financial statements

SMITHS OF SMITHFIELD LIMITED

Notes to the Cash Flow Statement
for the Year Ended 31 May 2013

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31 5 13 £	31.5 12 £
Operating profit	373,773	167,266
Depreciation charges	411,054	538,610
Decrease in stocks	5,946	17,373
Increase in debtors	(317,831)	(1,740,844)
(Decrease)/increase in creditors	(99,142)	1,228,160
Net cash inflow from operating activities	373,800	210,565

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31 5 13 £	31 5 12 £
Returns on investments and servicing of finance		
Interest paid	(100,951)	(85,864)
Net cash outflow for returns on investments and servicing of finance	(100,951)	(85,864)
Capital expenditure		
Purchase of tangible fixed assets	(266,654)	(123,461)
Net cash outflow for capital expenditure	(266,654)	(123,461)

The notes form part of these financial statements

SMITHS OF SMITHFIELD LIMITED**Notes to the Cash Flow Statement
for the Year Ended 31 May 2013****3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 6 12 £	Cash flow £	At 31 5 13 £
Net cash			
Cash at bank	168,708	(10,282)	158,426
Bank overdraft	(171)	(37,643)	(37,814)
	<u>168,537</u>	<u>(47,925)</u>	<u>120,612</u>
Debt			
Debts falling due within one year	(627,812)	62,363	(565,449)
Debts falling due after one year	(1,643,438)	97,090	(1,546,348)
	<u>(2,271,250)</u>	<u>159,453</u>	<u>(2,111,797)</u>
Total	<u>(2,102,713)</u>	<u>111,528</u>	<u>(1,991,185)</u>

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

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

Short leasehold	- 5% on cost
Plant and machinery	- 5% on cost
Fixtures and fittings	- 10% to 33% on cost

Stocks

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

Deferred tax

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

2 STAFF COSTS

	31 5 13	31 5 12
	£	£
Wages and salaries	2,822,036	3,220,693
Social security costs	194,417	231,311
Other pension costs	13,875	21,121
	<u>3,030,328</u>	<u>3,473,125</u>

SMITHS OF SMITHFIELD LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 May 2013

2 STAFF COSTS - continued

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

	31 5 13	31 5 12
Administration	9	10
Operational	183	188
	<u>192</u>	<u>198</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	31 5 13 £	31 5 12 £
Other operating leases	480,337	470,059
Depreciation - owned assets	411,054	538,610
Auditors' remuneration	<u>13,052</u>	<u>13,500</u>
Directors' remuneration	<u>84,538</u>	<u>175,130</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 5 13 £	31 5 12 £
Bank loan interest	87,970	72,809
Bank overdraft interest	457	158
Loan	<u>12,524</u>	<u>12,897</u>
	<u>100,951</u>	<u>85,864</u>

5 TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	31 5 13 £	31 5 12 £
Current tax		
UK corporation tax	71,538	60,915
Prior year over-provision	(6,795)	-
Total current tax	64,743	60,915
Deferred tax	(42,171)	(45,761)
Tax on profit on ordinary activities	22,572	15,154

Factors affecting the tax chargeThe tax assessed for the year is lower than the standard rate of corporation tax in the UK
The difference is explained below

	31 5 13 £	31 5 12 £
Profit on ordinary activities before tax	272,822	81,402
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23 830% (2012 - 25 670%)	65,013	20,896
Effects of		
Depreciation in excess of capital allowances	17,578	46,969
Marginal relief	(11,053)	(6,950)
Prior year over-provision	(6,795)	-
Current tax charge	64,743	60,915

SMITHS OF SMITHFIELD LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 May 2013

6 TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 June 2012	4,643,138	1,057,783	2,465,567	8,166,488
Additions	80,043	40,232	146,379	266,654
At 31 May 2013	4,723,181	1,098,015	2,611,946	8,433,142
DEPRECIATION				
At 1 June 2012	1,686,882	144,899	2,114,991	3,946,772
Charge for year	286,156	64,186	60,712	411,054
At 31 May 2013	1,973,038	209,085	2,175,703	4,357,826
NET BOOK VALUE				
At 31 May 2013	2,750,143	888,930	436,243	4,075,316
At 31 May 2012	2,956,256	912,884	350,576	4,219,716

7 STOCKS

	31 5 13 £	31 5 12 £
Finished goods	185,142	191,088

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 5 13 £	31 5 12 £
Trade debtors	11,209	63,740
Amounts owed by group undertakings	838,734	533,879
Other debtors	5,875	135,626
Prepayments and accrued income	331,527	136,269
	1,187,345	869,514

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 5 13 £	31 5 12 £
Bank loans and overdrafts (see note 11)	553,263	547,983
Other loans (see note 11)	50,000	80,000
Trade creditors	662,781	433,007
Tax	71,538	60,915
Social security and other taxes	331,909	369,673
Other creditors	224,612	338,252
Accrued expenses	475,566	493,625
	<u>2,369,669</u>	<u>2,323,455</u>

The bank loan and overdrafts are secured by legal charges over the leasehold properties and a fixed and floating charge over all the assets of the company

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 5 13 £	31 5 12 £
Bank loans (see note 11)	<u>1,546,348</u>	<u>1,643,438</u>

The bank loan is secured by legal charges over the leasehold properties and a fixed and floating charge over all the other assets of the company

11 LOANS

An analysis of the maturity of loans is given below

	31 5 13 £	31 5 12 £
Amounts falling due within one year or on demand		
Bank overdrafts	37,814	171
Bank loans	515,449	547,812
Shareholders Loan	50,000	80,000
	<u>603,263</u>	<u>627,983</u>

SMITHS OF SMITHFIELD LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 May 2013

11 LOANS - continued

	31 5 13 £	31 5 12 £
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>515,450</u>	<u>547,813</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>1,030,898</u>	<u>1,095,625</u>

12 OPERATING LEASE COMMITMENTS

At the 31 May 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other operating leases	
	31 5 13 £	31 5 12 £	31 5 13 £	31 5 12 £
Expiring				
Within one year	11,000	11,000	5,427	5,427
Between one and five years	2,000	2,000	-	-
In more than five years	467,500	467,500	-	-
	<u>480,500</u>	<u>480,500</u>	<u>5,427</u>	<u>5,427</u>

13 PROVISIONS FOR LIABILITIES

	31 5 13 £	31 5 12 £
Deferred tax	<u>134,935</u>	<u>177,106</u>
		Deferred tax £
Balance at 1 June 2012		177,106
Credit to profit and loss account during year		<u>(42,171)</u>
Balance at 31 May 2013		<u>134,935</u>

SMITHS OF SMITHFIELD LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 May 2013

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	31 5 13 £	31 5 12 £
6,482	Ordinary shares	1	<u>6,482</u>	<u>6,482</u>

15 RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 June 2012	513,200	785,345	1,298,545
Profit for the year	<u>250,250</u>		<u>250,250</u>
At 31 May 2013	<u>763,450</u>	<u>785,345</u>	<u>1,548,795</u>

16 RELATED PARTY DISCLOSURES

Included within other creditors at the year end is £85,872 (2012 - £30,239) owed to R Munding, a director of the company No interest has been paid on this loan

Included within other creditors at the year end is £80,835 (2012 - £80,835) owed to Longlac Holdings Limited, an intermediate holding company No interest has been paid on this loan

The company forms part of a wholly-owned group for which consolidated financial statements are publicly available and accordingly has taken advantage of the exemption allowed under Financial Reporting Standard 8 Related Party Disclosures not to disclose transactions with other group entities

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 5.13 £	31 5 12 £
Profit for the financial year	<u>250,250</u>	<u>66,248</u>
Net addition to shareholders' funds	250,250	66,248
Opening shareholders' funds	<u>1,305,027</u>	<u>1,238,779</u>
Closing shareholders' funds	<u>1,555,277</u>	<u>1,305,027</u>

SMITHS OF SMITHFIELD LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2013**

18 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is wholly owned by Korado Limited, a company registered in England and Wales. The ultimate holding company is Longlac Holdings Limited, a company registered in Cyprus. The directors consider that there is no overall ultimate controlling party.