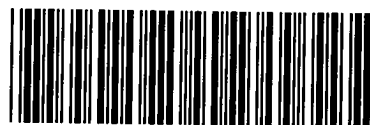


**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 May 2014
for
SMITHS OF SMITHFIELD LIMITED**

FRIDAY



A4235CYX

A23

27/02/2015

#222

COMPANIES HOUSE

SMITHS OF SMITHFIELD LIMITED

**Contents of the Financial Statements
for the Year Ended 31 May 2014**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Profit and Loss Account	8
Balance Sheet	9
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	14
Trading and Profit and Loss Account	22

SMITHS OF SMITHFIELD LIMITED

**Company Information
for the Year Ended 31 May 2014**

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

The directors present their strategic report for the year ended 31 May 2014.

REVIEW OF BUSINESS

The company made a profit after tax of £275,396 (2013 £250,250) which arose from the company's principal activities which is the operation of two restaurants and bars in Central London. Smiths of Smithfield specialise in traditional British cuisine and are considered by the Directors to represent what is now an established brand within its sector.

The Directors consider the steady increase in profit for the year to be satisfactory and the result as set out in the financial statements to be consistent and in line with expectations.

It is anticipated that this trend will continue in the following year.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the company's long term performance and which could cause actual results to differ from those expected. These can be summarised as follows.

BUSINESS AND INDUSTRY RISKS

If the company adopts the wrong business strategy or does not implement its strategies effectively the business may suffer. In industry specific context this requires the Directors and management to continually monitor trends and developments in the popular entertainment sector.

FINANCIAL STRATEGY

Risks relate to an incorrect or unclear financial strategy and the failure to achieve financial plans. Weak performance could put pressure on profits and cashflows. To manage this risk financial strategy risks and performance are regularly reviewed by the Board. Detailed plans and budgets are set for the Company to drive delivery.

FAILURE TO COMPETE EFFECTIVELY

Failure to compete on areas including range, price, quality and service could lead to a reduction in customer loyalty and new customers. This could impact our market share, sales and profitability. This is managed by the Company's long established presence in this specialised sector. Our management team regularly reviews markets, trading opportunities and competitor activities to ensure that our offer remains relevant and compelling to our customers.

RESTAURANT ESTATE

Successful performance of the business requires that the Company retains the right sites and the appropriate lease terms as well as developing the trading space to drive increased footfall and customer spend. As above our management team continually reviews the performance of the store estate. In addition professional and experience external advice is continually utilised where required to assist with Restaurant Estate matters.

KEY PERFORMANCE INDICATORS

The Board monitors KPI's on a regular basis and where they differ significantly from expectations an investigation is undertaken. The following KPI's are monitored on a regular basis and the principal key performance indicators are summarised below:

Revenue £7.2million (2013 £8.3 million)
Gross Profit Margin 74% (2013 71%)
Operating Profit £336,579 (2013 £373,773)

In addition company cashflows are monitored on a daily basis

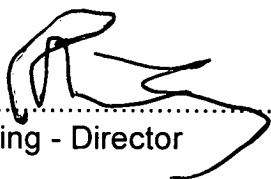
Financial Overview

The financial performance of the business as set out in the Key Performance Indicators is considered to be satisfactory

As stated above the result as set out in the financial statements to be consistent and in line with expectations.

The Board anticipates that this will continue in the current year

ON BEHALF OF THE BOARD:



.....
R Munding - Director

Date: 26 February 2015

SMITHS OF SMITHFIELD LIMITED

Report of the Directors for the Year Ended 31 May 2014

The directors present their report with the financial statements of the company for the year ended 31 May 2014.

DIVIDENDS

No dividends will be distributed for the year ended 31 May 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2013 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 2014**

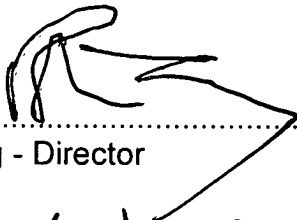
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

ON BEHALF OF THE BOARD:



.....
R Munding - Director

Date:

26 February 2015

We have audited the financial statements of Smiths of Smithfield Limited for the year ended 31 May 2014 on pages eight to twenty one. 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 four, 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 Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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.

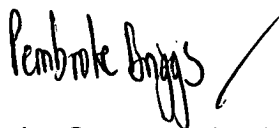
Opinion on other matter prescribed by the Companies Act 2006

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

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.



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: 26 February 2015

SMITHS OF SMITHFIELD LIMITED**Profit and Loss Account
for the Year Ended 31 May 2014**

	Notes	31.5.14 £	31.5.13 £
TURNOVER		7,246,410	8,325,759
Cost of sales		<u>1,918,191</u>	<u>2,403,036</u>
GROSS PROFIT		5,328,219	5,922,723
Administrative expenses		<u>5,015,370</u>	<u>5,558,515</u>
		312,849	364,208
Other operating income		<u>23,730</u>	<u>9,565</u>
OPERATING PROFIT	3	336,579	373,773
Interest payable and similar charges	4	<u>112,817</u>	<u>100,951</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		223,762	272,822
Tax on profit on ordinary activities	5	<u>(51,634)</u>	<u>22,572</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>275,396</u></u>	<u><u>250,250</u></u>

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

Balance Sheet
31 May 2014

	Notes	31.5.14 £	31.5.13 £
FIXED ASSETS			
Tangible assets	6	4,031,384	4,075,316
CURRENT ASSETS			
Stocks	7	137,353	185,142
Debtors	8	1,136,306	1,187,345
Cash at bank		140,995	158,426
		<u>1,414,654</u>	<u>1,530,913</u>
CREDITORS			
Amounts falling due within one year	9	<u>1,945,110</u>	<u>2,369,669</u>
NET CURRENT LIABILITIES		<u>(530,456)</u>	<u>(838,756)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,500,928	3,236,560
CREDITORS			
Amounts falling due after more than one year	10	(1,654,194)	(1,546,348)
PROVISIONS FOR LIABILITIES	13	<u>(16,061)</u>	<u>(134,935)</u>
NET ASSETS		<u><u>1,830,673</u></u>	<u><u>1,555,277</u></u>

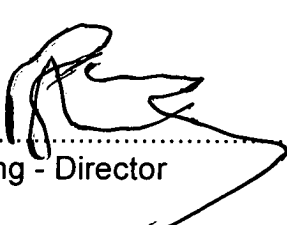
The notes form part of these financial statements

Balance Sheet - continued
31 May 2014

	Notes	31.5.14 £	31.5.13 £
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	1,038,846	763,450
SHAREHOLDERS' FUNDS	17	<u>1,830,673</u>	<u>1,555,277</u>

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

26 February 2015


.....
R Munding - Director

SMITHS OF SMITHFIELD LIMITED

**Cash Flow Statement
for the Year Ended 31 May 2014**

	Notes	31.5.14 £	31.5.13 £
Net cash inflow from operating activities	1	429,323	373,800
Returns on investments and servicing of finance	2	(112,817)	(100,951)
Taxation		(75,072)	(54,120)
Capital expenditure	2	(354,170)	(266,654)
		(112,736)	(47,925)
Financing	2	107,847	-
Decrease in cash in the period		(4,889)	(47,925)
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(4,889)	(47,925)
Cash (inflow)/outflow from (increase)/decrease in debt		(107,846)	159,453
Change in net debt resulting from cash flows		(112,735)	111,528
Movement in net debt in the period		(112,735)	111,528
Net debt at 1 June		(1,991,185)	(2,102,713)
Net debt at 31 May		(2,103,920)	(1,991,185)

The notes form part of these financial statements

SMITHS OF SMITHFIELD LIMITED**Notes to the Cash Flow Statement
for the Year Ended 31 May 2014****1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31.5.14 £	31.5.13 £
Operating profit	336,579	373,773
Depreciation charges	398,101	411,054
Decrease in stocks	47,789	5,946
Decrease/(increase) in debtors	51,039	(317,831)
Decrease in creditors	(404,185)	(99,142)
Net cash inflow from operating activities	429,323	373,800

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

	31.5.14 £	31.5.13 £
Returns on investments and servicing of finance		
Interest paid	(112,817)	(100,951)
Net cash outflow for returns on investments and servicing of finance	(112,817)	(100,951)
Capital expenditure		
Purchase of tangible fixed assets	(354,170)	(266,654)
Net cash outflow for capital expenditure	(354,170)	(266,654)
Financing		
New loans in year	107,847	-
Net cash inflow from financing	107,847	-

The notes form part of these financial statements

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.6.13 £	Cash flow £	At 31.5.14 £
Net cash:			
Cash at bank	158,426	(17,431)	140,995
Bank overdraft	(37,814)	12,542	(25,272)
	<u>120,612</u>	<u>(4,889)</u>	<u>115,723</u>
Debt:			
Debts falling due within one year	(565,449)	-	(565,449)
Debts falling due after one year	<u>(1,546,348)</u>	<u>(107,846)</u>	<u>(1,654,194)</u>
	<u>(2,111,797)</u>	<u>(107,846)</u>	<u>(2,219,643)</u>
Total	<u>(1,991,185)</u>	<u>(112,735)</u>	<u>(2,103,920)</u>

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

	31.5.14	31.5.13
	£	£
Wages and salaries	2,456,045	2,822,036
Social security costs	160,546	194,417
Other pension costs	11,088	13,875
	<u>2,627,679</u>	<u>3,030,328</u>

2. **STAFF COSTS - continued**

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

	31.5.14	31.5.13
Administration	9	9
Operational	167	183
	<u>176</u>	<u>192</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.5.14 £	31.5.13 £
Other operating leases	522,563	480,337
Depreciation - owned assets	398,102	411,054
Auditors' remuneration	9,500	13,052
	<u>99,779</u>	<u>84,538</u>

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.5.14 £	31.5.13 £
Bank loan interest	98,114	87,970
Bank overdraft interest	4,725	457
Loan	9,978	12,524
	<u>112,817</u>	<u>100,951</u>

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

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

	31.5.14 £	31.5.13 £
Current tax:		
UK corporation tax	63,706	71,538
Prior year over/(under)- provision	3,534	(6,795)
Total current tax	67,240	64,743
Deferred tax	(118,874)	(42,171)
Tax on profit on ordinary activities	<u>(51,634)</u>	<u>22,572</u>

Factors affecting the tax (credit)/chargeThe tax assessed for the year is higher than the standard rate of corporation tax in the UK.
The difference is explained below:

	31.5.14 £	31.5.13 £
Profit on ordinary activities before tax	<u>223,762</u>	<u>272,822</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22.668% (2013 - 23.830%)	50,722	65,013
Effects of:		
Depreciation in excess of capital allowances	20,875	17,578
Marginal relief	(7,891)	(11,053)
Prior year over-provision	3,534	(6,795)
Current tax (credit)/charge	<u>67,240</u>	<u>64,743</u>

6. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 June 2013	4,723,181	1,098,015	2,611,946	8,433,142
Additions	234,616	47,022	72,532	354,170
At 31 May 2014	4,957,797	1,145,037	2,684,478	8,787,312
DEPRECIATION				
At 1 June 2013	1,973,038	209,085	2,175,703	4,357,826
Charge for year	297,548	14,607	85,947	398,102
At 31 May 2014	2,270,586	223,692	2,261,650	4,755,928
NET BOOK VALUE				
At 31 May 2014	2,687,211	921,345	422,828	4,031,384
At 31 May 2013	2,750,143	888,930	436,243	4,075,316

7. STOCKS

	31.5.14 £	31.5.13 £
Finished goods	137,353	185,142

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.14 £	31.5.13 £
Trade debtors	30,088	11,209
Amounts owed by group undertakings	878,766	838,734
Other debtors	26,430	5,875
Prepayments and accrued income	201,022	331,527
	1,136,306	1,187,345

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.14 £	31.5.13 £
Bank loans and overdrafts (see note 11)	540,721	553,263
Other loans (see note 11)	50,000	50,000
Trade creditors	288,237	662,781
Tax	63,706	71,538
Social security and other taxes	321,838	331,909
Other creditors	202,317	224,612
Accrued expenses	478,291	475,566
	<u>1,945,110</u>	<u>2,369,669</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

	31.5.14 £	31.5.13 £
Bank loans (see note 11)	<u>1,654,194</u>	<u>1,546,348</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:

	31.5.14 £	31.5.13 £
Amounts falling due within one year or on demand:		
Bank overdrafts	25,272	37,814
Bank loans	515,449	515,449
Shareholders Loan	50,000	50,000
	<u>590,721</u>	<u>603,263</u>

SMITHS OF SMITHFIELD LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 May 2014

11. LOANS - continued

	31.5.14 £	31.5.13 £
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>515,450</u>	<u>515,450</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>1,138,744</u>	<u>1,030,898</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	
	31.5.14 £	31.5.13 £	31.5.14 £	31.5.13 £
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	<u>267,500</u>	<u>467,500</u>	<u>-</u>	<u>-</u>
	<u>280,500</u>	<u>480,500</u>	<u>5,427</u>	<u>5,427</u>

13. PROVISIONS FOR LIABILITIES

	31.5.14 £	31.5.13 £
Deferred tax	<u>16,061</u>	<u>134,935</u>
		Deferred tax £
Balance at 1 June 2013		134,935
Credit to Profit and Loss Account during year		<u>(118,874)</u>
Balance at 31 May 2014		<u>16,061</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.5.14 £	31.5.13 £
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 2013	763,450	785,345	1,548,795
Profit for the year	<u>275,396</u>		<u>275,396</u>
At 31 May 2014	<u>1,038,846</u>	<u>785,345</u>	<u>1,824,191</u>

16. RELATED PARTY DISCLOSURES

Included within other creditors at the year end is £85,872 (2013 - £83,703) 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 (2013 - £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

	31.5.14 £	31.5.13 £
Profit for the financial year	<u>275,396</u>	<u>250,250</u>
Net addition to shareholders' funds	275,396	250,250
Opening shareholders' funds	<u>1,555,277</u>	<u>1,305,027</u>
Closing shareholders' funds	<u>1,830,673</u>	<u>1,555,277</u>

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.