
BUSABA EATHAI LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 19 SEPTEMBER 2021

BUSABA EATHAI LIMITED

COMPANY INFORMATION

Directors	T Harrison M Whitehead (resigned 9 December 2020) M Linden (appointed 21 September 2021)
Registered number	04956194
Registered office	2nd Floor 42-48 Great Portland Street London W1W 7NB
Independent auditors	WMT LLP Verulam Point, Station Way St Albans Hertfordshire AL1 5HE

BUSABA EATHAI LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 5
Independent auditors' report	6 - 9
Statement of comprehensive income	10
Balance sheet	11 - 12
Statement of changes in equity	13
Notes to the financial statements	14 - 31

**STRATEGIC REPORT
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

Introduction

The directors present their Strategic report together with the audited financial statements for the extended accounting period ended 19 September 2021.

Business review

The principal activity of the Company is the operation of modern Thai restaurants.

For the second successive reporting period, the business has been significantly impacted by the Covid 19 pandemic with the government mandated closure of restaurants and restricted movement of people, especially in and around London. During the restrictions, the focus has been cash preservation through management of costs and utilising government support in grants and furlough payments. In the latter part of the period, the business benefitted from the lifting of restrictions with the successful rollout of the vaccination programme and growing footfall in London.

During the period, the Company's creditors approved a Company Voluntary Arrangement (CVA) which resulted in the write off of non critical suppliers debts and the renegotiation of restaurant leases including rent free periods and surrender of onerous leases. This provided further financial support to the business through the effects of the pandemic.

At the close of the period under review the company owned 9 restaurants as well as exchanging contracts on a 15 year lease for a new restaurant in Cardiff. There were 3 restaurant disposals in the year with Leicester Square, Shoreditch and Kings Road returned to landlords post CVA.

On a 52 week comparison, in the period under review turnover fell 31% to £10.25m driven by the government mandated closure of restaurants and loss of 207 (43%) full restaurant trading weeks. Adjusted EBITDA* reduced from a deficit of £2.79m to a deficit of £1.33m. Whilst trading was similarly impacted by restaurant closures in the reported and prior period, the balance sheet was favourably impacted by the write off of supplier debts in the CVA.

Going forward, with new ownership and a rationalised cost base post CVA, the near-term objective for the directors is to continue to stabilise the business through measured cost control and invest in opportunities created by increased availability of sites to the market. The directors believe Busaba's much loved brand and product means the business is ideally placed to benefit from growing footfall in the economic recovery from the pandemic.

*Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairment, profit/(loss) on disposal, pre opening costs and exceptional administrative expenditure.

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 19 SEPTEMBER 2021

Principal risks and uncertainties

Whilst the successful roll out of the vaccination programme and subsequent easing of restrictions has allowed for all restaurants to reopen with sales steadily growing with improved footfall, the risk remains from a resurgence of the virus especially over winter months. Busaba does have a lean cost base, access to a credit facility and a delivery model to withstand any imminent threat in the financial year.

The UK's exit from the European Union and resident workers returning overseas during the pandemic has led to a smaller labour pool for restaurants as footfall increases. The directors continue to recognise Busaba as a great place to work to aid with any challenges in attracting and retaining great people. We continue to monitor our supply chain closely with the ability to flex our menu should individual ingredients become unavailable or uncommercial.

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

M Linden

Director

Date: 28 January 2022

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

The directors present their report and the financial statements for the period ended 19 September 2021.

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;
- 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 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 profit for the period, after taxation, amounted to £2,871,902 (2020 - loss £6,497,521).

The directors do not recommend payment of a dividend for the period.

Directors

The directors who served during the period were:

T Harrison

M Whitehead (resigned 9 December 2020)

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

Engagement with employees

The Company operates an equal opportunities employment ethos, it also has in place a training programme to ensure that all staff are fully trained and up to date with statutory laws and requirements relating to food hygiene, health and safety, licensing and employment law.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Indemnity cover

Third party indemnity cover was in force for the directors during the period and since the period end.

Supplier payment policy

The policy of the Company is to agree terms of payment with suppliers as part of the overall terms applying to each transaction, ensure that suppliers are made aware of the terms of payment and then to abide by the terms of payment to the supplier.

Going concern

The directors have prepared cash flow forecasts which show the group is expected to be cash generative across the coming financial year at the operating level, and they forecast the group to operate within the loan facilities available to it. Therefore the financial statements are prepared on a going concern basis. Further details are given in note 2.3.

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.

BUSABA EATHAI LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

Post balance sheet events

A summary of post balance sheet events are in note 26.

Auditors

The auditors, WMT LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

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

M Linden

Director

Date: 28 January 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUSABA EATHAI LIMITED

Opinion

We have audited the financial statements of BUSABA EATHAI LIMITED (the 'Company') for the period ended 19 September 2021, which comprise the statement of comprehensive income, the balance sheet, 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 19 September 2021 and of its profit for the period 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.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that due to the loss making position of the Company and its negative balance sheet position, together with the uncertainty of the ongoing COVID-19 pandemic. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included [explanation of how the auditor evaluated management's assessment and the key observations arising with respect to that evaluation].

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUSABA EATHAI LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 period 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 3, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUSABA EATHAI LIMITED (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include operational requirements, environmental regulations, health and safety legislation, employment law and data protection.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

BUSABA EATHAI LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUSABA EATHAI LIMITED (CONTINUED)

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.

Graham Wintle (senior statutory auditor)
for and on behalf of

WMT LLP

Verulam Point, Station Way

St Albans

Hertfordshire

AL1 5HE

28 January 2022

BUSABA EATHAI LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	10,251,709	23,891,186
Cost of sales		(7,528,055)	(16,172,917)
Gross profit		2,723,654	7,718,269
Administrative expenses		(8,779,348)	(15,462,691)
Exceptional administrative expenses		8,173,643	(46,893)
Other operating income	5	2,264,570	2,998,105
Operating profit/(loss)	6	4,382,519	(4,793,210)
Interest receivable and similar income	9	-	483
Interest payable and similar expenses	10	(1,510,617)	(1,704,794)
Profit/(loss) before tax		2,871,902	(6,497,521)
Profit/(loss) for the financial period		2,871,902	(6,497,521)
Other comprehensive income for the period			
Total comprehensive income for the period		2,871,902	(6,497,521)

The notes on pages 14 to 31 form part of these financial statements.

BUSABA EATHAI LIMITED
REGISTERED NUMBER: 04956194

BALANCE SHEET
AS AT 19 SEPTEMBER 2021

	Note	19 September 2021 £	20 September 2020 £
Fixed assets			
Intangible assets	13	9,726	8,654
Tangible assets	14	4,153,684	6,359,756
		<u>4,163,410</u>	<u>6,368,410</u>
Current assets			
Stocks	15	335,018	355,625
Debtors	16	1,219,929	854,723
Cash at bank and in hand	17	1,496	318,497
		<u>1,556,443</u>	<u>1,528,845</u>
Creditors: amounts falling due within one year	18	(6,786,398)	(9,270,283)
Net current liabilities		<u>(5,229,955)</u>	<u>(7,741,438)</u>
Total assets less current liabilities		<u>(1,066,545)</u>	<u>(1,373,028)</u>
Creditors: amounts falling due after more than one year	19	(20,156,564)	(19,839,638)
Provisions for liabilities			
Other provisions	21	-	(2,882,345)
		<u>-</u>	<u>(2,882,345)</u>
Net liabilities		<u>(21,223,109)</u>	<u>(24,095,011)</u>
Capital and reserves			
Called up share capital	22	7,628,201	7,628,201
Share premium account		2,428,679	2,428,679
Profit and loss account		(31,279,989)	(34,151,891)
		<u>(21,223,109)</u>	<u>(24,095,011)</u>

BUSABA EATHAI LIMITED
REGISTERED NUMBER: 04956194

BALANCE SHEET (CONTINUED)
AS AT 19 SEPTEMBER 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M Linden
Director

Date: 28 January 2022

The notes on pages 14 to 31 form part of these financial statements.

BUSABA EATHAI LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 September 2019	7,628,201	2,428,679	(27,654,370)	(17,597,490)
Comprehensive income for the year				
Loss for the year	-	-	(6,497,521)	(6,497,521)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(6,497,521)	(6,497,521)
Total transactions with owners	-	-	-	-
At 21 September 2020	7,628,201	2,428,679	(34,151,891)	(24,095,011)
Comprehensive income for the period				
Profit for the period	-	-	2,871,902	2,871,902
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,871,902	2,871,902
Total transactions with owners	-	-	-	-
At 19 September 2021	7,628,201	2,428,679	(31,279,989)	(21,223,109)

The notes on pages 14 to 31 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

1. General information

Busaba Eathai Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Strategic report.

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 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Curry Acquisitions Limited as at 31 May 2021 and these financial statements may be obtained from 42-48 Great Portland Street, London, W1W 7NB.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

2. Accounting policies (continued)

2.3 Going concern

During the period the Company made a profit of £2,883,560, however without the exceptional item being the CVA write off, the company made a loss of £3,661,432. The balance sheet showed a deficit of £21,211,451, due to long term liabilities amounting to £20,755,399.

The directors have prepared projected forecasts and cash flows for a period of 12 months from the

date of signing these accounts. Trading conditions in the casual dining sector have and are

continuing to be challenging in 2021. These include further challenges due to the Covid 19 pandemic and the resulting restrictions on opening and trading.

The group is expected to return to being cash generative at the operating level across the coming financial year after employees move back to offices. The directors have therefore concluded, taking into account the sensitivity analyses performed, that it is appropriate to prepare the financial statements on a going concern basis, as they forecast the group to operate within the loan facilities available to it.

2.4 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021

2. Accounting policies (continued)

2.5 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, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

2.7 Interest income

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

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021

2. Accounting policies (continued)

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.10 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 balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 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 balance sheet date in the countries where the Company operates and generates income.

2.12 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.

2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021

2. Accounting policies (continued)

2.14 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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- over the term of the lease
Plant and machinery	- straight line over 10 to 15 years
Fixtures and fittings	- straight line over 5 to 15 years
Computer equipment	- straight line over 4 years (included within fixtures and fittings in note 13).

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.15 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021

2. Accounting policies (continued)

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.18 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.

2.19 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.

2.20 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.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.22 Onerous leases

In prior years provisions have been made for onerous leases on loss-making stores associated with the Company's property portfolio. The need for provisions for onerous leases against loss-making stores is assessed when the directors consider there are no longer reasonable prospects of the property becoming profitable. These provisions are recognised on a lease by lease basis. The determination of the onerous lease provision requires management to make judgements and estimates about the ultimate cost to the Company, including the nature, timings and cost of exiting a lease. The actual costs and timing of cash flows are dependent on future events and market conditions. Any difference between management estimates and actual costs is accounted for in the period when such determination is made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021

2. Accounting policies (continued)

2.23 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

BUSABA EATHAI LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

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

Preparation of financial statements requires management to exercise judgement in applying the Company's accounting policies. Estimates and assumptions used in the preparation of the financial statements are continually reviewed and revised as necessary.

4. Turnover

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

	2021 £	2020 £
Sales	10,251,709	23,891,186
	<u>10,251,709</u>	<u>23,891,186</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	10,251,709	23,891,186
	<u>10,251,709</u>	<u>23,891,186</u>

5. Other operating income

	2021 £	2020 £
Other operating income	-	483,231
Government grants receivable	2,264,570	2,514,874
	<u>2,264,570</u>	<u>2,998,105</u>

BUSABA EATHAI LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

6. Operating profit/(loss)

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

	2021 £	2020 £
Depreciation of tangible fixed assets	987,779	1,926,384
Pre-opening expenses and aborted site costs	-	31,164
Amortisation of intangible fixed assets	2,756	238
Profit/loss on disposal of tangible fixed assets	52,767	(8,149)
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	18,000	18,000
Defined contribution pension cost	<u>84,146</u>	<u>25,383</u>

7. Employees

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

	2021 £	2020 £
Wages and salaries	5,253,937	10,033,120
Social security costs	383,193	742,948
Cost of defined contribution scheme	86,306	166,123
	<u>5,723,436</u>	<u>10,942,191</u>

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

	2021 No.	2020 No.
Restaurant Staff	266	436
Management Staff	12	23
	<u>278</u>	<u>459</u>

BUSABA EATHAI LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	235,130	268,287
Company contributions to defined contribution pension schemes	2,160	2,327
	<u>237,290</u>	<u>270,614</u>

The highest paid director received remuneration of £205,086 (2020 - £169,839).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,756 (2020 - £1,417).

9. Interest receivable

	2021 £	2020 £
Other interest receivable	-	483
	<u>-</u>	<u>483</u>

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	1,510,617	1,696,794
Finance leases and hire purchase contracts	-	8,000
	<u>1,510,617</u>	<u>1,704,794</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021

11. Taxation

	2021 £	2020 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the period/year

The tax assessed for the period/year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19 % (2020 - 19%) as set out below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	2,871,902	(6,497,521)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	545,661	(1,234,529)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	203,650	96,858
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,340	38,170
Adjustments to tax charge in respect of prior periods	5,664	(88,754)
Other timing differences leading to an increase (decrease) in taxation	(1,469,704)	(362,781)
Non-taxable income	(1,600,658)	-
Changes in provisions leading to an increase (decrease) in the tax charge	-	734,272
Other tax charge (relief) on exceptional items	(7,536)	(5,354)
Other differences leading to an increase (decrease) in the tax charge	2,306,583	822,118
Total tax charge for the period/year	-	-

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

BUSABA EATHAI LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

12. Exceptional items

	2021 £	2020 £
Exceptional items	(8,173,643)	46,893
	<u>(8,173,643)</u>	<u>46,893</u>

Contained in exceptional items is a write off of creditors totalling £8,424,516 through a CVA enacted on 28th September 2020.

13. Intangible assets

	Intellectual property £
Cost	
At 21 September 2020	8,892
Additions	3,828
	<u>12,720</u>
At 19 September 2021	
Amortisation	
At 21 September 2020	238
Charge for the period on owned assets	2,756
	<u>2,994</u>
At 19 September 2021	
Net book value	
At 19 September 2021	<u>9,726</u>
At 20 September 2020	<u>8,654</u>

BUSABA EATHAI LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

14. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 21 September 2020	20,353,652	3,896,552	9,950,886	34,201,090
Additions	115,942	18,427	92,986	227,355
Disposals	(9,102,618)	(822,420)	(3,175,085)	(13,100,123)
At 19 September 2021	11,366,976	3,092,559	6,868,787	21,328,322
Depreciation				
At 21 September 2020	15,451,865	3,663,206	8,726,263	27,841,334
Charge for the period on owned assets	586,300	103,949	454,386	1,144,635
Disposals	(8,014,282)	(796,613)	(3,000,436)	(11,811,331)
At 19 September 2021	8,023,883	2,970,542	6,180,213	17,174,638
Net book value				
At 19 September 2021	3,343,093	122,017	688,574	4,153,684
At 20 September 2020	<u>4,901,787</u>	<u>233,346</u>	<u>1,224,623</u>	<u>6,359,756</u>

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Long leasehold	3,343,093	4,901,787
	<u>3,343,093</u>	<u>4,901,787</u>

BUSABA EATHAI LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

15. Stocks

	2021 £	2020 £
Finished goods	128,563	148,931
Consumables	206,455	206,694
	<u>335,018</u>	<u>355,625</u>

16. Debtors

	2021 £	2020 £
Due after more than one year		
Other debtors	154,000	265,032
	<u>154,000</u>	<u>265,032</u>
Due within one year		
Trade debtors	279,261	162,348
Amounts owed by group undertakings	-	10
Other debtors	139,302	989
Prepayments and accrued income	647,366	426,344
	<u>1,219,929</u>	<u>854,723</u>

17. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,496	318,497
Less: bank overdrafts	(424,242)	-
	<u>(422,746)</u>	<u>318,497</u>

BUSABA EATHAI LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	424,242	-
Trade creditors	784,774	1,497,093
Amounts owed to group undertakings	2,300,000	2,468,694
Other taxation and social security	600,546	1,403,958
Other creditors	177,588	181,002
Accruals and deferred income	2,499,248	3,719,536
	<u>6,786,398</u>	<u>9,270,283</u>

19. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	20,156,564	19,839,638
	<u>20,156,564</u>	<u>19,839,638</u>

The following liabilities were secured:

	2021 £	2020 £
Loans	20,156,564	19,839,638
	<u>20,156,564</u>	<u>19,839,638</u>

Details of security provided:

The loans are secured by way of debentures and a floating charge over the assets of the company. These loans were reassigned during the prior year.

BUSABA EATHAI LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

20. Loans

Analysis of the maturity of loans is given below:

	2020 £	2021 £
Amounts falling due 1-2 years		
Bank loans	20,156,564	19,839,638
	<u>20,156,564</u>	<u>19,839,638</u>
	<u>20,156,564</u>	<u>19,839,638</u>

21. Provisions

	Onerous leases £
At 21 September 2020	2,882,345
Charged to profit or loss	(2,882,345)
	<u>-</u>
At 19 September 2021	<u>-</u>

22. Share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
7,628,201 (2020 - 7,628,201) Ordinary shares of £1.00 each	<u>7,628,201</u>	<u>7,628,201</u>

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held

separately from those of the Company in an independently administered fund. The pension cost charge

represents contributions payable by the Company to the fund and amounted to £86,302 (2020: £166,123). Contributions totalling £4,522 (2020: £115,631) were payable to the fund at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

24. Commitments under operating leases

At 19 September 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	1,721,602	3,177,196
Later than 1 year and not later than 5 years	6,687,680	12,226,992
Later than 5 years	7,296,900	19,672,546
	<u>15,706,182</u>	<u>35,076,734</u>

At the beginning of the year a significant number of the leases were renegotiated or surrendered.

25. Related party transactions

During the the prior period, the Group was restructured and the ordinary shares and preference shares in Busaba Eathai Holdings Limited were acquired by Curry Acquisitions Limited. The reorganisation was completed in July 2020.

As a result of the restructuring and acquisition, the loan notes owed to Phoenix Equity Nominees on behalf of Phoenix Equity Partners 2006 Fund in the accounts of Busaba Eathai Cleanco Limited and Busaba Eathai Acquisitions Limited were repaid for a nominal sum.

Busaba Eathai Cleanco Limited converted the existing ordinary shares held by Busaba Eathai Acquisitions Limited to 29 "B" ordinary shares, and issued 28,971 "A" ordinary shares to Curry Acquisition Limited for a consideration of £240,000. As a consequence, Curry Acquisition Limited became the immediate parent company of Busaba Eathai Cleanco Limited, and Busaba Eathai Acquisitions Limited holding in Busaba Eathai Cleanco Limited was reduced to 0.1%.

26. Post balance sheet events

Since the period end, the COVID-19 (coronavirus) remains prevalent in society with the link between infection and hospitalisation lessened by the successful vaccination programme. The evolution of mutations of the virus continue to pose a threat to the protection provided by vaccinations. The prospect of restrictions on the hospitality sector to slow the spread of the virus remains a possibility.

The Directors have considered the effect on the value of the assets and liabilities of the Company since the balance sheet date, as well as actual and expected future income and expenditure, cash flow requirements and the Company's ability to continue as a going concern. They have taken steps to protect the workforce and the business, including its cash flow, so as to be able to maintain liquidity from further impacts of the pandemic.

Post period end, the business exchanged contracts on a 20 year lease for a new restaurant in Oxford, expected to open for trading from early 2022.

BUSABA EATHAI LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 19 SEPTEMBER 2021**

27. Controlling party

The Company's immediate parent is Busaba Eathai Cleanco Limited. The ultimate controlling company is TP2 Limited. The ultimate controlling party is T. Poole.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.