

Zest Food Limited

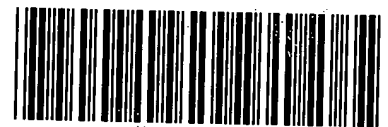
Report and Financial Statements

Year Ended

31 March 2015

Company Number 05070252

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Zest Food Limited

Report and financial statements for the year ended 31 March 2015

Contents

Page:

1	Report of the directors
3	Independent auditor's report
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

N Sebba
B C Davis
R W McKie
V D McKevitt

Secretary and registered office

N Sebba, 31-33 Baker Street, London, W1U 8EJ

Company number

05070252

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Zest Food Limited

Report of the directors for the year ended 31 March 2015

The directors present their report together with the audited financial statements for the year ended 31 March 2015.

Results

The profit and loss account is set out on page 5 and shows the loss for the year.

Principal activities

The principal activity of the company remains to operate healthy-eating retail outlets under the brand "Tossed".

Directors

The directors of the company during the year were:

N Sebba
B C Davis
R W McKie
V D McKevitt

Directors' responsibilities

The directors are responsible for preparing 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 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.

Zest Food Limited

Report of the directors for the year ended 31 March 2015 (continued)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP were appointed as auditors of the company by the directors. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at a suitable board meeting.

On behalf of the Board


N Sebba
Director

Date 16 October 2015

Zest Food Limited

Independent auditor's report

TO THE MEMBERS OF ZEST FOOD LIMITED

We have audited the financial statements of Zest Food Limited for the year ended 31 March 2015 which comprise the profit and loss account, the balance sheet and the related notes. 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year 2015 for which the financial statements are prepared is consistent with the financial statements.

Zest Food Limited

Independent auditor's report (*continued*)

Other matters

The corresponding figures for the period ended 31 March 2014 are unaudited.

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;
- the directors were not entitled to prepare the financial statements and the director's report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Mark RA Edwards (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

16 October 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Zest Food Limited

Profit and loss account for the year ended 31 March 2015

	Note	2015 £	2014 £
Turnover		8,251,048	6,427,535
Cost of sales		<u>(2,731,529)</u>	<u>(2,100,694)</u>
Gross profit		5,519,519	4,326,841
Administrative expenses		<u>(5,741,424)</u>	<u>(5,216,454)</u>
Operating loss	2	(221,905)	(889,613)
Other interest receivable and similar income	3	762	380
Interest payable and similar charges	4	<u>(166,795)</u>	<u>(85,164)</u>
Loss on ordinary activities before taxation		(387,938)	(974,397)
Taxation on loss from ordinary activities	5	<u>-</u>	<u>-</u>
Loss for the year		<u>(387,938)</u>	<u>(974,397)</u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 7 to 13 form part of these financial statements.

Zest Food Limited

Balance sheet at 31 March 2015

<i>Company number 05070252</i>	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Intangible assets	6		18,166		-
Tangible assets	7		1,182,474		1,609,100
			<u>1,200,640</u>		<u>1,609,100</u>
Current assets					
Stocks	8	92,350		106,458	
Debtors	9	671,070		555,964	
Cash at bank and in hand		192,713		540,306	
		<u>956,133</u>		<u>1,202,728</u>	
Creditors: amounts falling due within one year	10	(4,135,322)		(4,285,626)	
		<u></u>		<u></u>	
Net current liabilities			(3,179,189)		(3,082,898)
Total assets less current liabilities			<u>(1,978,549)</u>		<u>(1,473,798)</u>
Creditors: amounts falling due after more than one year	11		493,548		610,361
Capital and reserves					
Called up share capital	12	30,900		30,900	
Profit and loss account	13	(2,502,997)		(2,115,059)	
		<u></u>	<u>(2,472,097)</u>	<u></u>	<u>(2,084,159)</u>
			<u>(1,978,549)</u>		<u>(1,473,798)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors and authorised for issue on 16 October 2015


N Sebba
Director

The notes on pages 7 to 13 form part of these financial statements.

Zest Food Limited

Notes forming part of the financial statements for the year ended 31 March 2015

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Going concern

The directors have prepared the financial statements on a going concern basis as the directors have received assurance from the company's ultimate parent company that it will continue to provide such financial support as the company requires to enable it to meet its liabilities as and when they fall due.

Turnover

Turnover represents amounts receivable for goods and services and services net of VAT and trade discounts. Revenue is recognised at the moment the goods or services are delivered.

Fixed assets, depreciation and amortisation

Fixed assets are classified by reference to their use in the business and amortised/depreciated over their useful economic life. Amortisation/depreciation is provided to write off the cost of all fixed assets other than investments, evenly over their expected useful lives. It is calculated at the following rates:

Trademarks	-	10% straight line
Website	-	33.33% straight line
Leasehold improvements	-	20% straight line
Plant and machinery	-	20% straight line
Motor vehicles	-	33.33% straight line

Stock

Stocks are valued at the lower of cost and net realisable value.

Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

Finance leases

Where leases are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of the estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduced the finance liability.

Zest Food Limited

Notes forming part of the financial statements for the year ended 31 March 2015

1 Accounting policies (continued)

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Operating loss

	2015 £	2014 £
This is arrived at after charging/(crediting):		
Amortisation of intangible fixed assets	3,047	-
Depreciation of tangible fixed assets	548,704	783,119
Gain on disposal of tangible fixed assets	(9,988)	-
Hire of other assets - operating leases	1,085,109	860,981
Auditors' remuneration:		
- fees payable to the group's auditor for the audit of the group's annual accounts	17,500	-
- tax compliance	9,000	-
- other services	6,500	-
Profit/(loss) on disposal of fixed assets	9,988	(64,468)
	<hr/>	<hr/>

3 Interest receivable and similar income

	2015 £	2014 £
Bank interest	762	380
	<hr/>	<hr/>

4 Interest payable and similar income

	2015 £	2014 £
Bank loans and overdrafts	54,163	-
Finance leases	17,286	-
Intercompany loans	82,614	85,164
Others	12,732	-
	<hr/>	<hr/>
	166,795	85,164
	<hr/>	<hr/>

Zest Food Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (*continued*)

5 Taxation on loss on ordinary activities

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	(387,938)	(974,397)
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21 % (2014 - 23 %)	(81,467)	(224,111)
Effects of:		
Expenses not deductible for tax purposes	35,095	(5,765)
Group relief surrendered/(claimed)	16,590	-
Difference between capital allowances and depreciation	20,447	83,780
Increase in losses to carry forward	9,335	146,096
Current tax charge for the year	-	-

6 Intangible fixed assets

Group	Trademarks £	Website £	Total £
<i>Cost</i>			
At 1 April 2014	-	-	-
Additions	4,748	16,465	21,213
At 31 March 2015	4,748	16,465	21,213
<i>Amortisation</i>			
At 1 April 2014	-	-	-
Charge for the year	212	2,835	3,047
At 31 March 2015	212	2,835	3,047
<i>Net book value</i>			
At 31 March 2015	4,536	13,630	18,166
At 31 March 2014	-	-	-

Zest Food Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (*continued*)

7 Tangible fixed assets

Group	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 April 2014	1,401,450	1,422,004	5,440	2,828,894
Additions	72,344	62,759	-	135,103
Disposals	(112)	(29,275)	-	(29,387)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	1,473,682	1,455,488	5,440	2,934,610
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2014	442,277	775,212	2,305	1,219,794
Charge for the year	283,280	263,933	1,491	548,704
Disposals	(4)	(16,358)	-	(16,362)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	725,553	1,022,787	3,796	1,752,136
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2015	748,129	432,701	1,644	1,182,474
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2014	959,173	646,792	3,135	1,609,100
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes £269,952 (2014 - £292,066) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £135,596 (2014 - £105,212) for the year.

8 Stock

	2015 £	2014 £
Raw materials and consumables	92,350	106,458
	<hr/>	<hr/>

9 Debtors

	2015 £	2014 £
Trade debtors	127,019	44,767
Prepayments	333,173	251,476
Other debtors	210,878	259,721
	<hr/>	<hr/>
	671,070	555,964
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

Zest Food Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

10 Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts	136,052	112,300
Net obligations under hire purchase contracts	53,297	76,473
Trade creditors	437,946	780,509
Amounts owed to holding company	802,483	819,869
Amounts owed to group undertakings	1,919,610	1,880,012
Taxation and social security	86,278	45,664
Accruals	621,691	500,706
Other creditors	77,965	70,093
	<u>4,135,322</u>	<u>4,285,626</u>

11 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Bank loans	488,391	551,909
Net obligations under hire purchase contracts	5,157	58,452
	<u>493,548</u>	<u>610,361</u>
Analysis of loans:		
Wholly repayable within five years	682,897	799,134
Included in current liabilities	(189,349)	(188,773)
	<u>493,548</u>	<u>610,361</u>

12 Share capital

	2015 Number	Allotted, called up and fully paid 2014 Number	2015 £	2014 £
Ordinary class 'A' shares of 0.1p each	900,000	900,000	900	900
Ordinary class 'B' shares of £1 each	30,000	30,000	30,000	30,000
	<u>930,000</u>	<u>930,000</u>	<u>30,900</u>	<u>30,900</u>

Zest Food Limited

Notes forming part of the financial statements for the year ended 31 March 2015 *(continued)*

13 Reserves

	Profit and loss account £
At 1 April 2014	(2,115,059)
Loss for the year	(387,938)
	<hr/>
At 31 March 2015	(2,502,997)
	<hr/>

14 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2015 £	Other 2015 £	Land and buildings 2014 £	Other 2014 £
Operating leases which expire:				
Within one year	100,000	30,127	100,000	-
In two to five years	170,000	88,739	270,000	120,180
After five years	748,600	-	748,600	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,018,600	58,866	1,118,600	122,180
	<hr/>	<hr/>	<hr/>	<hr/>

15 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Tossed Holdings Limited on the grounds that it is a wholly owned subsidiary within the group and the company is included in the consolidated financial statements.

Gemini One Two Three Limited is a related company due to common shareholders and directors. The company received a management fee of £3,200 (2014 - £32,200) from Gemini One Two Three Limited during the year.

Gemini Restaurants LLP is a related company due to its partners being common to the company's shareholders and directors. At 31 March 2015 Gemini Restaurants LLP owed Zest Food Limited £57,730 (2014 - £Nil).

Zest Food Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (*continued*)

16 Post balance sheet events

On 28 September 2015, the company issued 313,165 'A' ordinary shares to Tossed Limited for an aggregate investment of £3,137,913.

17 Ultimate parent company

At 31 March 2015, the directors regard Tossed Limited to be the immediate parent company, which is the smallest group of which the company is a member and for which consolidated accounts are prepared.

The ultimate parent company is Tossed Holdings Limited and is the parent undertaking of the largest group for which consolidated accounts are prepared.

The ultimate controlling party is V D McKevitt.

Zest Food Limited

The pages which follow do not
form part of the statutory
financial statements of the company

Zest Food Limited

Detailed profit and loss account for the year ended 31 March 2015

	2015 £	2015 £	2014 £	2014 £
Turnover				
Sales		8,251,048		6,427,535
Cost of sales		(2,731,529)		(2,100,694)
Gross profit		5,519,519		4,326,841
Administrative expenses				
People costs				
Wages and salaries	2,402,707		1,953,795	
Directors' remuneration	213,900		226,067	
Employer's N.I. contributions	197,717		152,649	
Staff entertaining	24,770		25,216	
Uniforms	12,639		7,793	
Recruitment	5,548		7,130	
Staff training, health and safety	2,251		4,519	
		2,859,532		2,377,169
Property costs				
Rent	1,085,109		860,981	
Rates	434,050		370,815	
Service charge	94,892		84,278	
Insurance	24,170		15,594	
Utilities	125,185		124,574	
Waste disposal	34,037		20,834	
		1,797,443		1,477,076
Other administrative expenses				
EFT Charges	113,810		75,484	
Repairs and maintenance	82,212		47,773	
Legal and professional fees	60,921		91,425	
Marketing	73,425		81,930	
IT & Systems	71,196		44,868	
Bank charges	30,848		48,163	
Consumables	25,272		41,957	
Travel	17,973		13,891	
Telephone	13,193		14,815	
New product development	13,162		11,369	
Mystery guest	11,642		10,038	
Licenses and subscriptions	10,991		3,971	
Seepage	7,712		1,489	
Printing, postage and stationery	5,383		9,820	
Other costs	4,946		3,831	
Bad and doubtful debts	-		13,796	
Deprecation	548,704		783,119	
Amortisation	3,047		-	
Gain on disposal of tangible fixed assets	9,988		64,468	
		1,084,449		1,362,207
Operating loss - carried forward		(221,905)		(889,613)

Zest Food Limited

Detailed profit and loss account for the year ended 31 March 2015 (*continued*)

	2015 £	2015 £	2014 £	2014 £
Operating loss - brought forward		(221,905)		(889,613)
Other interest receivable and similar income				
Bank interest received		762		380
Interest payable				
Intercompany bank interest payable	54,163		225	
Non-bank interest paid on loans less than five years	82,614		61,602	
Hire purchase interest paid	17,286		23,337	
Others	12,732		-	
	<u> </u>	(166,795)	<u> </u>	(85,164)
Loss before taxation		<u>(387,938)</u>		<u>(974,397)</u>