

Company registration number 05280297 (England and Wales)

ENTRECOTE (OPERATIONS) LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR

ENTRECOTE (OPERATIONS) LTD

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ENTRECOTE (OPERATIONS) LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company is to be that of a restaurant.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Elghanayan
Mr S Mokhtarzadeh
Mr J Shashou
M Dine

Going concern

The Directors have considered whether it is appropriate to prepare the Company financial statements on a going concern basis.

In doing so, the Directors have considered the operation of the Company and prepared cash flow forecasts to ascertain whether the Company can meet its obligations as they fall due for at least twelve months from the date of approval of the financial statements.

In this forecast, the Directors have taken account of the implications of COVID-19 which could impact the future.

The Directors therefore have a reasonable expectation the Company has adequate resources to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and consequently have adopted the going concern basis of accounting in preparing the non-statutory accounts.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr M Elghanayan
Director

7 September 2022

ENTRECOTE (OPERATIONS) LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	5,261,835	4,298,982
Cost of sales		(1,505,645)	(1,480,465)
Gross profit		3,756,190	2,818,517
Administrative expenses		(3,063,820)	(2,896,929)
Other operating income		109,335	19,092
Exceptional item	4	-	(690)
Exceptional items	4	-	(1,471,044)
Operating profit/(loss)	5	801,705	(1,531,054)
Interest payable and similar expenses	8	(3,678)	(3,393)
Profit/(loss) before taxation		798,027	(1,534,447)
Tax on profit/(loss)	9	(138,438)	(221)
Profit/(loss) for the financial year		659,589	(1,534,668)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ENTRECOTE (OPERATIONS) LTD

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		311,193		376,851
Current assets					
Stocks	11	126,907		139,605	
Debtors	12	2,852,257		1,949,684	
Cash at bank and in hand		1,668,194		795,816	
		<u>4,647,358</u>		<u>2,885,105</u>	
Creditors: amounts falling due within one year	13	<u>(1,967,403)</u>		<u>(828,633)</u>	
Net current assets			<u>2,679,955</u>		<u>2,056,472</u>
Total assets less current liabilities			<u>2,991,148</u>		<u>2,433,323</u>
Creditors: amounts falling due after more than one year	14		(797,359)		(892,500)
Provisions for liabilities					
Deferred tax liability	16	<u>19,191</u>	<u>(19,191)</u>	<u>25,814</u>	<u>(25,814)</u>
Net assets			<u><u>2,174,598</u></u>		<u><u>1,515,009</u></u>
Capital and reserves					
Called up share capital	17		1		1
Profit and loss reserves			<u>2,174,597</u>		<u>1,515,008</u>
Total equity			<u><u>2,174,598</u></u>		<u><u>1,515,009</u></u>

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

ENTRECOTE (OPERATIONS) LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 6 September 2022 and are signed on its behalf by:

Mr M Elghanayan
Director

Mr S Mokhtarzadeh
Director

Company Registration No. 05280297

ENTRECOTE (OPERATIONS) LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 January 2020	1	3,125,176	3,125,177
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(1,534,668)	(1,534,668)
Dividends	-	(75,500)	(75,500)
Balance at 31 December 2020	1	1,515,008	1,515,009
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	659,589	659,589
Balance at 31 December 2021	1	2,174,597	2,174,598

ENTRECOTE (OPERATIONS) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Entrecote (Operations) Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Gable House, 239 Regents Park Road, London, N3 3LF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	over the term of the lease
Plant and machinery	25% Straight line method
Fixtures, fittings & equipment	25% Straight line method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

ENTRECOTE (OPERATIONS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

ENTRECOTE (OPERATIONS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

ENTRECOTE (OPERATIONS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Sales of goods	5,261,835	4,298,982
	<u>5,261,835</u>	<u>4,298,982</u>
	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	5,261,835	4,298,982
	<u>5,261,835</u>	<u>4,298,982</u>
	2021 £	2020 £
Other revenue		
Grants received	109,335	19,092
	<u>109,335</u>	<u>19,092</u>

ENTRECOTE (OPERATIONS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Exceptional items

	2021	2020
	£	£
Expenditure		
Inter-company loan Millbeach Ltd w/off	-	690
Inter-company loan Entrecote (Canary Wharf) Ltd w/off	-	1,471,044
	<u>-</u>	<u>1,471,734</u>

5 Operating profit/(loss)

	2021	2020
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses	1,517	2,348
Government grants	(109,335)	(19,092)
Depreciation of owned tangible fixed assets	97,376	101,603
Loss on disposal of tangible fixed assets	2,587	-
Operating lease charges	221,274	175,959
	<u>221,274</u>	<u>175,959</u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Office & Management	15	15
Production & Sales	84	80
	<u>99</u>	<u>95</u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	1,134,561	1,102,499
Social security costs	131,140	157,412
	<u>1,265,701</u>	<u>1,259,911</u>

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	<u>91,967</u>	<u>81,508</u>

ENTRECOTE (OPERATIONS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Interest payable and similar expenses

	2021	2020
	£	£
Other interest on financial liabilities	3,678	3,393
	<u> </u>	<u> </u>

9 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	145,061	-
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(6,623)	221
	<u> </u>	<u> </u>
Total tax charge	138,438	221
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit/(loss) before taxation	798,027	(1,534,447)
	<u> </u>	<u> </u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	151,625	(291,545)
Tax effect of expenses that are not deductible in determining taxable profit	-	291,757
Group relief	(17,066)	(3,477)
Permanent capital allowances in excess of depreciation	(8,491)	(15,919)
Depreciation on assets not qualifying for tax allowances	18,501	19,184
Deferred tax adjustments in respect of prior years	(6,131)	221
	<u> </u>	<u> </u>
Taxation charge for the year	138,438	221
	<u> </u>	<u> </u>

ENTRECOTE (OPERATIONS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2021	349,742	1,130,801	446,003	1,926,546
Additions	-	10,413	23,891	34,304
Disposals	-	-	(2,899)	(2,899)
At 31 December 2021	349,742	1,141,214	466,995	1,957,951
Depreciation and impairment				
At 1 January 2021	167,256	1,015,926	366,512	1,549,694
Depreciation charged in the year	19,282	49,218	28,876	97,376
Eliminated in respect of disposals	-	-	(312)	(312)
At 31 December 2021	186,538	1,065,144	395,076	1,646,758
Carrying amount				
At 31 December 2021	163,204	76,070	71,919	311,193
At 31 December 2020	182,486	114,875	79,490	376,851

11 Stocks

	2021 £	2020 £
Finished goods and goods for resale	126,907	139,605

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	4,103	163,251
Amounts owed by group undertakings	1,703,035	918,271
Amounts owed by undertakings in which the company has a participating interest	826,005	555,727
Other debtors	106,453	101,803
Prepayments and accrued income	212,661	210,632
	2,852,257	1,949,684

ENTRECOTE (OPERATIONS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,056,937	265,531
Amounts owed to group undertakings	19,704	35,237
Corporation tax	106,566	21,702
Other taxation and social security	75,208	342,418
Other creditors	112,507	(12,113)
Accruals and deferred income	596,481	175,858
	<u>1,967,403</u>	<u>828,633</u>

14 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Other borrowings	15	<u>797,359</u>	<u>892,500</u>

15 Loans and overdrafts

	2021 £	2020 £
Other loans	<u>797,359</u>	<u>892,500</u>
Payable after one year	<u>797,359</u>	<u>892,500</u>

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	<u>19,191</u>	<u>25,814</u>
Movements in the year:		2021 £
Liability at 1 January 2021		25,814
Credit to profit or loss		(6,623)
Liability at 31 December 2021		<u>19,191</u>

ENTRECOTE (OPERATIONS) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Deferred taxation

(Continued)

The deferred tax liability set out above is expected to reverse within [12 months] and relates to accelerated capital allowances that are expected to mature within the same period.

17 Share capital

	2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1
	<u> </u>	<u> </u>

18 Related party transactions

During the year rent was paid of £150,000 (2020: £203,000) to Entrecote (Marylebone) Limited, Entrecote (City) Limited of £153,000 (2020: £76,500) and Entrecote (Dean street) Limited of £254,836 (2020: £304,000) all are fellow subsidiary undertakings.

An ordinary interim dividend of £Nil (2020: £75,500) was paid during the year.

Included within debtors is amounts owed from fellow subsidiary undertakings: Entrecote (Marylebone) Limited £189,445 (2020 - £1,471,044), Entrecote (City) Limited £826,005 (2020- £555,727), Entrecote (Dean Street) Limited £1,503,493 (2020: £918,271) and amount owed to parent undertaking Entrecote (Holdings) Limited £19,704 (2020: £35,237).

19 Ultimate controlling party

The ultimate parent company and controlling party is Entrecote (Holdings) Limited, a company registered in England and Wales.

20 Going concern

The Directors have considered whether it is appropriate to prepare the Company financial statements on a going concern basis.

In doing so, the Directors have considered the operation of the Company and prepared cash flow forecasts to ascertain whether the Company can meet its obligations as they fall due for at least twelve months from the date of approval of the financial statements.

In this forecast, the Directors have taken account of the implications of COVID-19 which could impact the future.

The Directors therefore have a reasonable expectation the Company has adequate resources to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and consequently have adopted the going concern basis of accounting in preparing the non-statutory accounts.

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.