

**ROSA'S LONDON LIMITED**  
Company Number 07734532

**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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## **ROSA'S LONDON LIMITED**

### **COMPANY INFORMATION**

<b>COMPANY NAME</b>	Rosa's London Limited
<b>DIRECTORS</b>	Mr FM Abouchalache Mr GS Adair Mr JP Dib Mr TO Kristensen Mr AJD Moore Mr R Rowland
<b>SECRETARY</b>	Mr TO Kristensen
<b>REGISTERED OFFICE</b>	26 Earlham Street London WC2H 9LN
<b>AUDITOR</b>	Menzies LLP Lynton House 7-12 Tavistock Square London WC1H 9LT
<b>ACCOUNTANT</b>	Acomptare Limited Suite 18 Ealing House 33 Hanger Lane London W5 3HJ
<b>COMPANY'S REGISTERED NUMBER</b>	07734532

## **ROSA'S LONDON LIMITED**

### **STRATEGIC REPORT**

For the year ended 31 March 2019

#### **Introduction**

The Directors present their Strategic Report and audited financial statements for the financial year ended 31 March 2019.

#### **Principal Activities**

The Company operates a group of Thai Restaurants under the operating name of 'Rosa's Thai Café'.

The Company's strategy is to continue to invest in earnings enhancing sites in London and across the UK, whilst investing in the teams and processes needed to support that growth. At the same time the business is focused on driving 'Like For Like' performance in existing restaurants by maintaining and leveraging the quality of its offering.

#### **Business Review and Future Developments**

The trading results, balance sheet and other financial statements for the period are shown on pages 9 to 22. The Directors have not recommended a dividend for the year.

During the period the company opened four new sites, in Ealing and Tower Bridge (both in London), Bluewater (Kent) and Albert Dock, Liverpool. Since the year end a site has also opened in the Trinity Centre in Leeds, taking the total to seventeen sites.

The company saw strong growth, not only from opening new sites but also from the mature part of the estate, this despite market conditions, which during the year became more challenging, with reduced consumer confidence and increased price competition.

The overall result is a sales increase of 43% to £16.2m, whilst EBITDA increased 24% to £2.1m. This performance reflects the investment made during the year in building the central management structure to support further growth, and the fact that the newer sites are yet to reach mature trading performance.

The company expects to continue its expansion plans by opening five to six new sites each year. It is anticipated that half of these sites will be in London, and half of them outside, with the recent openings in Liverpool and Leeds showing that the concept is well received outside London.

#### **Key Performance Indicators**

The Directors consider the following information to be key indicators of the group's performance;

Year to	31/03/2019	31/03/2018
	£000	£000
Sales	16,226	11,350
EBITDA	2,063	1,660
Number of staff	299	214
Number of sites	16	11

#### **Principal Risks and Uncertainties**

##### ***UK Economic Outlook***

There is little doubt that the economic outlook for the UK has worsened over the past 12 months and may well continue to do so for some time to come. Eating out is for most people at the outer margins of discretionary spending and therefore the market is likely to see some contraction, which could affect the business. Ongoing uncertainty around Brexit is likely to continue to suppress consumer confidence.

## **ROSA'S LONDON LIMITED**

### **STRATEGIC REPORT (continued)**

#### *Terrorism*

Terrorism is no longer a threat but sadly now a recurring reality, and recent events have shown that restaurants can be affected if or when an incident occurs. The business has terrorism insurance cover for all sites and the Directors believe that the geographical spread across London would help lessen any event happening near any one of the current sites.

#### *Exchange Rates*

The input prices on meat and other ingredients have seen a rise since the Brexit vote in 2016. The management team has worked hard to try and stem some of this effect by changing suppliers and renegotiating supply contracts – with some considerable success. However, looking forward the near-term risk is likely to come from the Pound falling further against the Euro and the Dollar, pushing up the supply prices of meat and other ingredients from the EU. Adding to this pressure is the fact that the Thai Baht has appreciated significantly against all major currencies, making specialty imports more expensive.

#### *Operational Risk*

The business is multi-faceted in its operations and therefore inherently has many different operational risk categories. Key risks in this area include our ability to attract and retain talent, both Back Of House and Front Of House – with government immigration policy unpredictable given Brexit uncertainty, and safety – our responsibility to protect our teams and customers from accidents or incidents. The company invests heavily in people, technology and training to mitigate such risks, and we also use a number of external partners to assist us in monitoring and developing our practices in all these areas.

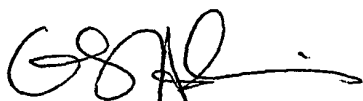
#### *Liquidity Risk*

The business continues to expand and in this respect stringent liquidity management for both capital spending and operations remain vital. The business currently has a modest level of debt and attempts to maintain healthy cash balances, which the Directors believe is a prudent approach for the current market conditions.

#### *Cost pressures*

Like most businesses in our sector, Rosa's is affected by the upwards only pressure on many key cost lines including staff costs, food costs and property costs. Some perceived softening of rents is evident but competition for good sites remains keen.

The Strategic Report has been approved by the Board and is signed on its behalf by



**Mr GS Adair**  
Director

23 October, 2019

## **DIRECTORS' REPORT**

for the year ended 31 March 2019

The Directors present their report and accounts for the year ended 31 March 2019.

### **Directors**

The following persons served as directors during the year:

Mr FM Abouchalache – appointed 06/06/2018  
Mr GS Adair  
Mr JP Dib – appointed 06/06/2018  
Mr TO Kristensen  
Mr AJD Moore  
Mr R Rowland – appointed 06/06/2018  
Mr JL Van Der Schee – appointed 06/06/2018; resigned 06/03/2019  
Mrs S Moore – resigned 06/06/2018

### **Subsidiary**

All of the assets, liabilities and operations of the company's wholly owned subsidiary, Saiphin's Thai Kitchen Limited, were hived up into the company with effect from 01/04/2018. Saiphin's Thai Kitchen Limited ceased trading on that date.

### **Going concern**

The Directors believe that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to accept the going concern basis of accounting in preparing the Financial Statements.

### **Employees**

The average number of employees and their remuneration is set out in Note 6 of the financial statements.

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately filled by a 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.

During the period the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

### **Financial risk management**

A discussion on financial risk management is included in the Strategic Report on pages 2 and 3.

### **Future developments**

The company expects to continue its expansion plans by opening five to six new sites each year. It is anticipated that half of these sites will be in London, and half of them outside, with the recent openings in Liverpool and Leeds showing that the concept is well received outside London.

## **ROSA'S LONDON LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **Statement of directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period, which 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. 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). In preparing those accounts, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and 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 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.

#### **Matters covered in the Strategic Report**

In accordance with Section 414C(ii) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the Strategic Report preceding the Directors' Report includes information that would have formerly have been included in the business review and the principal risks and uncertainties sections of the Directors' Report.

#### **Statement of disclosure of information to auditor**

Menzies LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The directors at the date of approval of this report confirm that:

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 23 October, 2019 and signed on its behalf by



**Mr GS Adair**  
Director

## **ROSA'S LONDON LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ROSA'S LONDON LIMITED**

#### **Opinion**

We have audited the financial statements of Rosa's London Limited (the 'Company') for the year ended 31 March 2019, which comprise the Profit and Loss Account, 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 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.



## **ROSA'S LONDON LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ROSA'S LONDON LIMITED (continued)**

#### **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 year 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 on pages 4 and 5, 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.

#### **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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**ROSA'S LONDON LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ROSA'S  
LONDON 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.

*MENZIES LLP*

Robin Hopkins FCA (Senior Statutory Auditor)  
for and on behalf of  
**Menzies LLP**  
Chartered Accountants  
Statutory Auditor  
Lynton House  
7-12 Tavistock Square  
London  
WC1H 9LT

Date

*21/11/19*

**ROSA'S LONDON LIMITED**

**Profit and Loss Account**

For the year ended 31 March 2019

	Notes	2019	2018
		£	£
Turnover	4	16,226,040	11,350,786
Cost of sales		<u>(10,253,526)</u>	<u>(6,603,682)</u>
<b>Gross profit</b>		5,972,514	4,747,104
Administrative expenses		<u>(5,045,503)</u>	<u>(3,929,382)</u>
<b>Operating profit</b>	5	927,011	817,722
Interest receivable and similar income	8	512	641
Interest payable and similar charges	9	(223,404)	(83,085)
Exceptional items	10	<u>(97,754)</u>	<u>-</u>
<b>Profit on ordinary activities before taxation</b>		606,365	735,278
Tax on profit on ordinary activities	11	<u>(44,629)</u>	<u>(167,115)</u>
<b>Retained profit for the year</b>		<u><b>561,736</b></u>	<u><b>568,163</b></u>

All of the company's operations are classed as continuing.

The notes on pages 13 to 22 form part of these financial statements.

**ROSA'S LONDON LIMITED**

**Statement of Comprehensive Income**

For the year ended 31 March 2019

	Notes	2019	2018
		£	£
Profit for the financial year		<u>561,736</u>	<u>568,163</u>
<b>Total comprehensive income for the year</b>		<u><b>561,736</b></u>	<u><b>568,163</b></u>
Total comprehensive income attributable to:			
Owners of the parent		<u>561,736</u>	<u>568,163</u>
		<u><b>561,736</b></u>	<u><b>568,163</b></u>

The notes on pages 13 to 22 form part of these financial statements.

# ROSA'S LONDON LIMITED

## Balance Sheet

As at 31 March 2019

		2019	2018
	Notes	£	£
<b>Fixed assets</b>			
Intangible assets	12	123,391	272,377
Tangible assets	13	7,184,370	4,755,564
Investments	14	200	200
Total fixed assets		<u>7,307,961</u>	<u>5,028,141</u>
<b>Current assets</b>			
Stocks	15	99,705	46,549
Debtors:			
Amounts falling due within one year		1,376,439	1,146,935
Amounts falling due after one year		350,734	292,190
Cash at bank and in hand		<u>524,906</u>	<u>893,405</u>
Total current assets		<u>2,351,784</u>	<u>2,379,079</u>
<b>Current liabilities</b>			
Creditors falling due within one year	17	<u>(3,097,401)</u>	<u>(2,384,685)</u>
<b>Net current (liabilities)/assets</b>		<u>(745,617)</u>	<u>(5,606)</u>
<b>Total assets less current liabilities</b>		<b>6,562,344</b>	<b>5,022,535</b>
<b>Creditors falling due after more than one year</b>	18	<u>(1,783,710)</u>	<u>(1,356,583)</u>
		<b>4,778,634</b>	<b>3,665,952</b>
Provision for liabilities	19	<u>(635,609)</u>	<u>(482,288)</u>
<b>Net assets</b>		<u><b>4,143,025</b></u>	<u><b>3,183,664</b></u>
<b>Capital and reserves</b>			
Called up share capital	21	1,574,696	1,348,117
Share Premium	22	594,379	423,333
Profit and loss account:			
Profit and loss brought forward		1,412,214	844,051
Profit for the year		<u>561,736</u>	<u>568,163</u>
Profit and loss carried forward	22	<u>1,889,898</u>	<u>1,412,214</u>
<b>Total shareholders' funds</b>		<u><b>4,143,025</b></u>	<u><b>3,183,664</b></u>

The financial statements were approved by the Board of Directors on 23 October, 2019 and were signed on its behalf by



**Mr GS Adair**  
Director

Company registration no. 07734532

The notes on pages 13 to 22 form part of these financial statements.

**ROSA'S LONDON LIMITED**

**Company Statement of Changes in Equity**  
for the year ended 31 March 2019

	Called up share capital	Share premium account	Profit & loss account	Total Shareholders' funds
	£	£	£	£
Balance as at 1 April 2017	1,348,117	423,333	844,051	2,615,501
Issue of new shares	-	-	-	-
Retained profit for year	-	-	568,163	568,163
Balance at 31 March 2018	<u>1,348,117</u>	<u>423,333</u>	<u>1,412,214</u>	<u>3,183,664</u>

	Called up share capital	Share premium account	Profit & loss account	Total Shareholders' funds
	£	£	£	£
Balance as at 1 April 2018	1,348,117	423,333	1,412,214	3,183,664
Issue of new shares	226,579	171,046	-	397,625
Retained profit for year	-	-	561,736	561,736
Balance as at 31 March 2019	<u>1,574,696</u>	<u>594,379</u>	<u>1,889,898</u>	<u>4,143,025</u>

The notes on pages 13 to 22 form part of these financial statements.

## **ROSA'S LONDON LIMITED**

### **Notes to the Financial Statements for the year ended 31 March 2019**

#### **1. Company information**

Rosa's London Limited is a private limited company, limited by shares, incorporated and domiciled in England. The address of its registered office and principal place of business is disclosed on the company information on page 1.

#### **2. Summary of significant accounting policies**

##### **2.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the United Kingdom Accounting Standards, including 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 the financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

##### **2.2 Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

##### **2.3 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 the Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.41(b), 11.41(c), 11.41(e), 11.541(f), 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 statement of Spice Holding Limited as at 31 March 2019 and these financial statements may be obtained from Companies House.

##### **2.4 Turnover**

Turnover represents the amounts receivable for food and beverages sold, net of VAT and discounts.

The turnover and operating profit for the year was derived from the company's principal continuing activity which was wholly carried out in the UK.

##### **2.5 Intangible fixed assets**

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses. The amortisation of Goodwill is charged at the rate of 20% per annum of the cost.

##### **2.6 Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	10% of the written down value per annum
Plant and machinery	25% of the written down value per annum

## **ROSA'S LONDON LIMITED**

### **Notes to the Financial Statements for the year ended 31 March 2019 (continued)**

- 2.7 **Dilapidations**  
Dilapidations provisions have been made based on the future expected costs required to restore the company's leased properties to their fair condition at the end of their respective lease terms, where it is considered a reliable estimate can be made. The estimated costs have been capitalised and are being amortised over the life of the respective leases.
- 2.8 **Stocks**  
Stocks are measured at the lower of cost and net realisable value.  
Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.
- 2.9 **Operating lease commitments**  
Rentals applicable to operating leases where substantially all the benefits and risk of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease. Lease incentives are recognised on a straight line basis over the period of the lease.
- 2.10 **Investments**  
Investments in subsidiaries are included in the Balance Sheet at the nominal value of the equity instruments acquired. The excess of the purchase price over the net value of assets acquired, if any, is recognised as goodwill.
- 2.11 **Pension costs**  
The company makes payments into the personal pension plans of certain of its employees but does not operate the scheme itself. Contributions payable under these arrangements are included in the financial statements on an accrual basis.
- 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 **Financial instruments**  
Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments.
- 2.14 **Foreign currencies**  
The financial statements are presented in Pound Sterling, which is the company's functional currency. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling on the balance sheet date, except where they are covered by forward currency contracts, in which case the forward contract rate is used. Transactions denominated in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. All exchange differences are taken to the Profit and Loss Account.
- 2.15 **Taxation**  
A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total recognised income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.



## ROSA'S LONDON LIMITED

### Notes to the Financial Statements for the year ended 31 March 2019 (continued)

#### 3 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. The key estimates and assumptions used in these accounts are set out below.

##### a) Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 amount of the cash generating unit to which the asset belongs.

##### b) Stocks

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.

#### 4 Turnover

	2019	2018
Turnover, all derived from the UK market, was as follows:		
	£	£
United Kingdom	16,266,040	11,350,786
Turnover, analysed by category, was as follows:		
Restaurant sales of food and drink	15,910,210	11,265,131
Other sales	315,830	85,655
	16,226,040	11,350,786

#### 5 Operating profit

	2019	2018
	£	£
Operating profit is stated after charging:		
Auditor's remuneration	21,366	25,575
Operating lease costs – land & buildings	1,254,404	927,677
Amortisation of intangible assets	191,489	182,989
Depreciation of tangible assets	944,534	658,877

#### 6 Particulars of employees

The monthly average number of staff (including directors) employed by the Group during the financial year amounted to:

	2019	2018
	Number	Number
Restaurants	282	201
Head office, including directors	17	13
Total number of staff:	299	214

The aggregate payroll costs of the above were:

	2019	2018
	£	£
Wages and salaries	4,973,072	3,180,186
Social security costs	390,297	254,718
Pension costs	77,719	59,719
	5,441,088	3,494,623

# **ROSA'S LONDON LIMITED**

## **Notes to the Financial Statements for the year ended 31 March 2019 (continued)**

<b>7 Directors' emoluments</b>	<b>2019</b>	<b>2018</b>
	£	£
Emoluments	239,594	121,303
Value of company pension contributions to money purchase scheme for two directors	-	55,992
	<u>239,594</u>	<u>177,295</u>
<b>8 Interest receivable</b>	<b>2019</b>	<b>2018</b>
	£	£
Bank interest receivable	<u>512</u>	<u>641</u>
<b>9 Interest payable</b>	<b>2019</b>	<b>2018</b>
	£	£
Bank interest payable	192,101	83,085
Finance cost dilapidation provision	31,303	-
	<u>223,404</u>	<u>83,085</u>
<b>10 Exceptional item</b>	<b>2019</b>	<b>2018</b>
	£	£
Exceptional costs	<u>97,754</u>	<u>-</u>

An exceptional item was recognised in respect of certain costs incurred by the company during the year in connection with the sale of the company to Spice Bidco Limited. The Directors consider these costs to be exceptional as they will not recur.

# **ROSA'S LONDON LIMITED**

## **Notes to the Financial Statements for the year ended 31 March 2019 (continued)**

<b>11 Taxation</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current tax		
Analysis of charge in the year:		
UK corporation tax on profits for the year at 19% (2017: 20%)	69,521	175,586
Adjustment in respect of previous periods	-	-
Total current tax	<u>69,521</u>	<u>175,586</u>
Deferred tax		
Balance as at 01/04/2018	64,070	75,541
Origination and reversal of timing differences – current year	(24,893)	(11,471)
Effect of changes in tax rates	-	-
Net change during year	<u>(24,893)</u>	<u>(11,471)</u>
Total deferred tax carried forward as at 31/03/2019	<u>39,177</u>	<u>64,070</u>
Net Tax on profit on ordinary activities	<u>44,628</u>	<u>167,115</u>

### **Factors affecting the tax charge for the period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>606,365</u>	<u>735,278</u>
Standard rate of corporation tax in the UK	19%	19%
Profit on ordinary activities multiplied by the standard rate of corporation tax	115,209	139,703
Effects of:		
Expenses not deductible for tax purposes:	2,183	1,722
Depreciation in excess of capital allowances for the year	56,141	42,843
Timing difference – current period	(24,893)	(11,471)
Timing differences – prior period	-	-
Change in UK tax rate	-	-
Group relief on subsidiary losses	<u>(104,012)</u>	<u>(5,682)</u>
Current tax charge for the period	<u>44,628</u>	<u>167,115</u>

# **ROSA'S LONDON LIMITED**

## **Notes to the Financial Statements for the year ended 31 March 2019 (continued)**

### **12 Intangible fixed assets**

	Goodwill £
<b>Cost</b>	
At 1 April 2018	914,944
Additions	<u>42,503</u>
At 31 March 2019	<u>957,447</u>
<b>Amortisation</b>	
At 1 April 2018	642,567
Charge for the year	<u>191,489</u>
At 31 March 2019	<u>834,056</u>
<b>Net book value</b>	
At 31 March 2019	<u>123,391</u>
At 31 March 2018	<u>272,377</u>

### **13 Tangible fixed assets**

	Leasehold Land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 April 2018	5,324,911	1,121,666	6,446,577
Additions	<u>3,078,681</u>	<u>294,659</u>	<u>3,373,340</u>
At 31 March 2019	<u>8,403,592</u>	<u>1,416,325</u>	<u>9,819,917</u>
<b>Depreciation</b>			
At 1 April 2018	1,105,412	585,601	1,691,013
Charge for the year	<u>736,853</u>	<u>207,681</u>	<u>944,534</u>
At 31 March 2019	<u>1,842,265</u>	<u>793,282</u>	<u>2,635,547</u>
<b>Net book value</b>			
At 31 March 2019	<u>6,561,327</u>	<u>623,043</u>	<u>7,184,370</u>
At 31 March 2018	<u>4,219,499</u>	<u>536,065</u>	<u>4,755,564</u>

# **ROSA'S LONDON LIMITED**

## **Notes to the Financial Statements for the year ended 31 March 2019 (continued)**

### **14 Investments**

	Subsidiaries £
Cost	
At 1 April 2018	200
Additions	-
	<hr/>
Cost at 31 March 2019	200
	<hr/>
Net Book Value at 31 March 2019	200
	<hr/>

The company owns 100% of the issued share capital of the companies listed below:

	Registered office address	Nature of business
Rosa's Property Services limited	26 Earlham Street, London, WC2H 9LN, England	Dormant company
Saiphin's Thai Kitchen Limited	26 Earlham Street, London, WC2H 9LN, England	Inactive company

### **15 Stocks**

	2019 £	2018 £
Food and other consumables	99,705	46,549
	<hr/>	<hr/>

There is no material difference between the book value of the stock and its replacement value.  
The amount of inventories recognised as an expense during the year was £3,339,415 (2018: £2,362,398).

### **16 Debtors**

	2019 £	2018 £
Trade debtors	511,839	334,336
Other debtors	1,215,334	1,104,789
	<hr/>	<hr/>
	1,727,173	1,439,125
	<hr/>	<hr/>

Other debtors includes rental deposits of £350,734 (2018: £292,190) which are receivable after more than one year.

### **17 Creditors: amounts falling due within one year**

	2019 £	2018 £
Bank loans	600,798	615,249
Trade creditors	721,419	658,431
Corporation tax	69,522	178,586
Other taxes and social security costs	683,381	603,311
Other creditors and accruals	1,022,281	329,108
	<hr/>	<hr/>
	3,097,401	2,384,685
	<hr/>	<hr/>

The Company has provided security to its lenders by way of a fixed and floating charge over all of its property and undertakings.

# **ROSA'S LONDON LIMITED**

## **Notes to the Financial Statements for the year ended 31 March 2019 (continued)**

### **18 Creditors: amounts falling due after more than one year**

	2019 £	2018 £
Bank loans	<u>1,783,710</u>	<u>1,356,583</u>

The Company has provided security to its lenders by way of a fixed and floating charge over all of its property and undertakings.

### **19 Provision for liabilities**

	Deferred taxation	Provision for Dilapidations	Total £
As at 1 April 2018	64,070	418,218	482,288
Reductions dealt with in profit and loss			
Changes during the year	<u>(24,893)</u>	<u>178,214</u>	<u>153,321</u>
As at 31 March 2019	<u>39,177</u>	<u>596,432</u>	<u>635,609</u>

### **20 Commitments under operating leases**

At 31 March 2019 the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2019 £	2018 £
Payment falling due:		
Within one year	1,394,056	1,024,438
Within two to five years	5,021,264	3,940,510
Later than five years	<u>8,398,568</u>	<u>5,945,514</u>
	<u>14,813,888</u>	<u>10,910,462</u>

The total amount of payments under operating lease recognised as an expense during the year was £1,254,404 (2018: £927,677).

## ROSA'S LONDON LIMITED

### Notes to the Financial Statements for the year ended 31 March 2019 (continued)

<b>21</b>	<b>Called up Share capital</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	<b>Allotted, called up and fully paid</b>		
	In issue at 1 April 2018 (1 April 2017):		
	Ordinary shares of £1 each	1,347,917	1,347,917
	A Ordinary shares of £1 each	200	200
	<b>Allotted during the year – Ordinary shares</b>	<b>226,579</b>	<b>-</b>
	In issue at 31 March 2019 (31 March 2018):		
	Ordinary shares of £1 each	1,574,696	1,347,917
	A Ordinary shares of £1 each	-	200
		<b>1,574,696</b>	<b>1,348,117</b>

Ordinary Shares carry full voting rights, and the right to participate pari passu in any and all dividend and other distributions, including any distribution on the sale or winding up of the Company.

A Ordinary Shares do not carry any voting rights, but do carry the right to participate pari passu in any and all dividend and other distributions, including any distribution on the sale or winding up of the Company.

On 6 June 2018, the 200 A Ordinary Shares with a par value of £1 per share were re-designated Ordinary Shares with a par value of £1 each.

On 6 June 2018 a total of 226,579 Ordinary Shares were issued to staff exercising their options under the company's EMI scheme.

## **22 Reserves**

The Share Premium Account records the amounts received from the allotment of new shares in excess of the nominal value of the shares allotted, less any expenses directly related to such allotments.

The Profit and Loss Account records the company's retained profits after any corporation tax charges and dividends declared.

## ROSA'S LONDON LIMITED

### Notes to the Financial Statements for the year ended 31 March 2019 (continued)

#### 23 Share based payments

##### Equity-settled share-based payments

The company operates an Enterprise Management Incentive Scheme (EMI), which is open to all senior employees, including General Managers and Head Chefs who have completed two years' service with the group. Members are allocated options which can only be exercised when a liquidity event (as defined in the articles) occurs. Options granted to employees are automatically forfeited when an employee leaves the group's employment. There are no other vesting conditions and the scheme is open ended. Each option entitles the holder to subscribe for one Ordinary Share of £1.00. The exercise price for the options granted in 2014 and 2015 was £1.00, for options granted in 2016 it was £2.14, for options granted in 2017 it was £2.19, while the exercise price for the 2018 granting was £25.00.

Details of the number of share options and the weighted average exercise price outstanding during the year are as follows:

	Weighted average exercise price (pence) 2019	Number 2019	Weighted average exercise price (pence) 2018	Number 2018
Outstanding as at 1 April 2018	1048.20	368,392	1048.20	247,957
Granted during the year		-		139,750
Exercised during the year		226,579		
Forfeited during the year		141,813		(19,315)
<b>Outstanding as at 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>1048.20</b>	<b>368,392</b>
			<b>2019</b>	<b>2018</b>
Number of employees in EMI scheme at year end			-	50

All options outstanding as at 31/03/2018 were either exercised or forfeited following the occurrence of a liquidity event on 6 June, 2018. The scheme is now closed.

#### 24 Related parties

The Company is exempt under the terms of FRS 102 from disclosing related party transactions with entities that are part of the Spice Holding Limited group.

During the year the company made an interest bearing loan to a director of the company. The amount due to the company at the year end was £7,500, which was repaid in full after the balance sheet date.

Remuneration of key management personnel is shown in note 7 of the accounts.

#### 25 Control

At the balance sheet date the Company 100% of the company's issued share capital was owned by Spice Bidco Limited. The ultimate controlling party is Trispan Rs Rt LLP, registered in Guernsey.

#### 26 Consolidated results

The results of Spice Bidco Limited and Rosa's London Limited from the date of its acquisition by Spice Bidco Limited, are included in the consolidated financial statements of Spice Holding Limited which may be obtained from Companies House.