

Company registration number: 07734532

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED

29 MARCH 2020

ROSA'S LONDON LIMITED



MENZIES
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ROSA'S LONDON LIMITED

COMPANY INFORMATION

Directors

Mr FM Abouchalache
Mr GS Adair
Mr JP Dib
Mr TO Kristensen
Mr AJD Moore
Mr R Rowland

Company secretary

Mr TO Kristensen

Registered number

07734532

Registered office

26 Earlham Street
London
WC2H 9LN

Independent auditors

Menzies LLP
Chartered Accountants & Statutory Auditor
1st Floor
Midas House
62 Goldsworth Road
Woking
Surrey
GU21 6LQ

ROSA'S LONDON LIMITED

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ROSA'S LONDON LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 29 MARCH 2020

Introduction

The Directors present their Strategic Report and audited financial statements for the financial period ended 29 March 2020.

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 Directors approved a dividend to be paid intragroup on a noncash basis between Rosa's London Limited and Spice Bidco Limited.

During the period the company opened three new sites, in the Trinity Centre in Leeds, in Clapham and in Deansgate in Manchester.

The company expects to continue its expansion plans by opening three to six new sites next year, whilst also pursuing opportunities of operating out of delivery only 'Cloud Kitchens'. It is anticipated that the majority of these will be in London with further geographical expansion likely later in the financial year. The first of the 'Cloud Kitchens' opened in Crouch End after the financial year end, with several other committed sites in London due to open later in calendar 2020.

Principal risks and uncertainties

UK Economic Outlook

There is little doubt that the economic outlook for the UK has worsened over the past 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.

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 the impact of 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 and Thailand respectively.

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 and front of house. In these times we have also have an increased responsibility to protect our teams and customers. The company invests heavily in people, technology and training to mitigate such risks, and we also use several external partners to assist us in monitoring and developing our practices in all these areas.

Liquidity and Financing 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. Financing in the sector has become more restricted during COVID-19 and whilst the group is not highly leveraged, financing arrangements may become more expensive in future, particularly given the strategic intent to continue to grow the business.

ROSA'S LONDON LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 29 MARCH 2020

Cost pressures

The impact of COVID-19 on key cost lines remain unclear. Positives include rates savings in the short term and the likely significant softening of rents in the medium term. Set against this are the costs of additional safety measures and possible inflationary costs in the supply chain or other key lines, notwithstanding the fact that we expect more competition amongst suppliers

COVID- 19

In line with the rest of the hospitality industry, the enforced closures by the government of restaurants has had a significant impact on trade, immediately before and since the year end. However, the company has operated more than half of its estate with delivery and take away during the lockdown, generating significant revenues and remaining cash generative. As a result of this, Rosa's has not been forced to take on emergency debt in order to support operations, which in turn means that the ambition to significantly grow the estate remains intact. The changes in trading patterns, and splits between 'eat in' and delivery, during this period and forward looking may however force the group to reevaluate the viability of some sites and rent each site is able to carry.

Financial key performance indicators

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

	2020	2019
	£	£
Sales	19,572,588	15,982,040
EBITDA	1,984,770	2,063,276
Number of staff	353	299
Number of sites	19	16

Adjusted EBITDA reported is EBITDA with management charges, exceptional costs, pre opening costs and bank fees added back.

The Directors are satisfied with the turnover growth and the EBITDA achieved, particularly considering the challenges faced in the last month of trading.

Non-financial KPIs are largely focussed on employees, further details of which are included within the Directors' Report.

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

G S Adair

G S Adair
Director

06-Aug-2020

ROSA'S LONDON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 29 MARCH 2020

The directors present their report and the financial statements for the year ended 29 March 2020.

Directors

The directors who served during the year were:

Mr FM Abouchalache
Mr GS Adair
Mr JP Dib
Mr TO Kristensen
Mr AJD Moore
Mr R Rowland

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;
- 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.

Disclosure of information 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 risk and uncertainties sections of the Directors' Report.

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.

ROSA'S LONDON LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 29 MARCH 2020

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 previous openings in Liverpool and Leeds showing that the concept is well received outside London.

Employees

The average number of employees and their remuneration is set out in Note 7 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.

Auditors

The auditors, Menzies LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

G S Adair

G S Adair
Director

06-Aug-2020

ROSA'S LONDON LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROSA'S LONDON LIMITED

Opinion

We have audited the financial statements of Rosa's London Limited (the 'Company') for the year ended 29 March 2020, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, 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 29 March 2020 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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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 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.

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. This description forms part of our Auditors' Report.

ROSA'S LONDON LIMITED

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROSA'S
LONDON LIMITED (CONTINUED)**

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Menzies LLP

Tom Woods ACA
(Senior Statutory Auditor) for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

1st Floor
Midas House
62 Goldsworth Road
Woking
Surrey
GU21 6LQ
18-Aug-2020

ROSA'S LONDON LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 29 MARCH 2020

	Note	2020 £	Restated 2019 £
Turnover	4	19,572,588	15,982,040
Cost of sales		(12,402,244)	(10,009,526)
Gross profit		7,170,344	5,972,514
Administrative expenses		(6,456,299)	(5,045,503)
Exceptional administrative expenses		(71,367)	(97,754)
Other operating income	5	61,603	-
Operating profit	6	704,281	829,257
Interest receivable and similar income		1,664	512
Interest payable and expenses	9	(126,276)	(223,404)
Profit before tax		579,669	606,365
Tax on profit	10	(66,176)	(44,629)
Profit after tax		513,493	561,736
Retained earnings at the beginning of the year		1,973,950	1,412,214
		1,973,950	1,412,214
Profit for the year		513,493	561,736
Dividends declared and paid		(416,375)	-
Retained earnings at the end of the year		2,071,068	1,973,950

The notes on pages 12 to 26 form part of these financial statements.

ROSA'S LONDON LIMITED

REGISTERED NUMBER:07734532

STATEMENT OF FINANCIAL POSITION AS AT 29 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	27,646	123,391
Tangible assets	14	8,290,733	7,184,370
Investments	15	200	200
		<u>8,318,579</u>	<u>7,307,961</u>
Current assets			
Stocks	16	149,567	99,705
Debtors: amounts falling due within one year	17	1,112,421	1,376,439
Debtors: amounts falling due after more than one year	17	377,734	350,734
Cash at bank and in hand		943,480	524,906
		<u>2,583,202</u>	<u>2,351,784</u>
Creditors: amounts falling due within one year	18	(3,769,671)	(3,097,401)
Net current liabilities		<u>(1,186,469)</u>	<u>(745,617)</u>
Total assets less current liabilities		<u>7,132,110</u>	<u>6,562,344</u>
Creditors: amounts falling due after more than one year	19	(2,012,668)	(1,783,710)
Provisions for liabilities			
Deferred tax	20	(174,875)	(39,177)
Other provisions	21	(704,424)	(596,432)
		<u>(879,299)</u>	<u>(635,609)</u>
Net assets		<u><u>4,240,143</u></u>	<u><u>4,143,025</u></u>
Capital and reserves			
Called up share capital	22	1,574,696	1,574,696
Share premium account	23	594,379	594,379
Profit and loss account	23	2,071,068	1,973,950
		<u>4,240,143</u>	<u>4,143,025</u>

ROSA'S LONDON LIMITED
REGISTERED NUMBER:07734532

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 29 MARCH 2020

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

G S Adair

G S Adair
Director

06-Aug-2020

The notes on pages 12 to 26 form part of these financial statements.

ROSA'S LONDON LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 MARCH 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2018	1,348,117	423,333	1,412,214	3,183,664
Profit for the year	-	-	561,736	561,736
Shares issued during the year	226,579	171,046	-	397,625
At 30 March 2019	1,574,696	594,379	1,973,950	4,143,025
Profit for the year	-	-	513,493	513,493
Dividends paid	-	-	(416,375)	(416,375)
At 29 March 2020	1,574,696	594,379	2,071,068	4,240,143

The notes on pages 12 to 26 form part of these financial statements.

ROSA'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

1. General information

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

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 Going concern

The coronavirus pandemic is creating significant uncertainty globally and the company is not immune to this. The directors are working to maintain the continuity of their operations as far as they are able, whilst adhering to Government advice. Whilst the pandemic will have a financial impact on the company, the directors have taken relevant measures to ensure they are able to safeguard cashflow, jobs and customer pipeline to put them in the best possible position once business operations start to return to normal.

As a result of the actions described above and the support enjoyed from the wider Trispan Rs Rt Group, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements with no material uncertainty.

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 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, 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 Spice Holding Ltd as at 29 March 2020 and these financial statements may be obtained from Companies House.

2.4 Revenue

Revenue 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.

ROSA'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings 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, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 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 the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 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.

ROSA'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

2. Accounting policies (continued)

2.9 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

Other 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.

2.10 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Leasehold buildings	- Over the length of the lease of the asset
Plant and machinery	- 20% of the written down value per annum

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. This is the case with leasehold buildings, the policy for which has been adjusted to now depreciate over the length of the lease to which the asset is associated.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 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.

At each reporting 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.

ROSA'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

2. Accounting policies (continued)

2.13 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 the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

Dilapidation provisions have been made 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.

2.14 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.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments 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 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 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 Statement of Income and Retained Earnings.

ROSA'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

4. Turnover

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

	2020 £	As restated 2019 £
Restaurant sales of food and drink	19,449,966	15,910,210
Other sales	122,622	71,830
	<u>19,572,588</u>	<u>15,982,040</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Other operating income	61,603	-
	<u>61,603</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Auditors' remuneration	25,000	21,366
Amortisation charge	95,745	191,489
Other operating lease rentals	1,676,468	1,254,404
Depreciation charge	862,932	944,534

ROSA'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

7. Employees

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

	2020 £	2019 £
Wages and salaries	6,125,232	4,973,072
Social security costs	468,242	390,297
Cost of defined contribution scheme	59,269	77,719
	6,652,743	5,441,088

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

	2020 No.	2019 No.
Head office	14	17
Restaurant	339	282
	353	299

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	175,255	239,594
Company contributions to defined contribution pension schemes	110	
	175,365	239,594

9. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	126,276	192,101
Finance cost dilapidation provision		31,303
	126,276	223,404

ROSA'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

10. Taxation

	2020 £	2019 £
Current tax on profits for the year	-	69,522
Adjustments in respect of previous periods	(69,522)	
	<u>(69,522)</u>	<u>69,522</u>
Total current tax	<u>(69,522)</u>	<u>69,522</u>
Deferred tax		
Origination and reversal of timing differences	135,698	(24,893)
Total deferred tax	<u>135,698</u>	<u>(24,893)</u>
Taxation on profit on ordinary activities	<u>66,176</u>	<u>44,629</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>579,669</u>	<u>606,365</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	110,137	115,209
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	28,131	
Expenses not deductible for tax purposes	17,433	2,183
Capital allowances for year in excess of depreciation	(136,351)	56,141
Utilisation of tax losses	(20,389)	
Adjustments to tax charge in respect of prior periods	(69,522)	
Timing differences - current period	135,698	(24,893)
Other timing differences leading to an increase (decrease) in taxation	1,039	
Group relief on subsidiary losses		(104,012)
Total tax charge for the year	<u>66,176</u>	<u>44,628</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

ROSA'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

11. Dividends

	2020 £	2019 £
Dividends paid to parent company	416,375	-
	<u>416,375</u>	<u>-</u>

The dividend paid to parent company was a paper dividend, clearing an intercompany position.

12. Exceptional items

	2020 £	2019 £
Exceptional items	71,367	97,754
	<u>71,367</u>	<u>97,754</u>

In 2019 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.

In 2020 an exceptional item was recognised as a result of aborted deals regarding potential new investments.

13. Intangible assets

	Goodwill £
Cost	
At 30 March 2019	957,447
At 29 March 2020	<u>957,447</u>
Amortisation	
At 30 March 2019	834,056
Charge for the year on owned assets	95,745
At 29 March 2020	<u>929,801</u>
Net book value	
At 29 March 2020	<u>27,646</u>
At 29 March 2019	<u>123,391</u>

ROSA'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

14. Tangible fixed assets

	Leasehold land and building £	Plant and machinery £	Total £
Cost or valuation			
At 30 March 2019	8,403,592	1,416,325	9,819,917
Additions	1,451,722	517,573	1,969,295
Transfers between classes	50,008	(50,008)	
At 29 March 2020	<u>9,905,322</u>	<u>1,883,890</u>	<u>11,789,212</u>
Depreciation			
At 30 March 2019	1,842,265	793,282	2,635,547
Charge for the year on owned assets	549,242	313,690	862,932
Transfers between classes	318,581	(318,581)	=
At 29 March 2020	<u>2,710,088</u>	<u>788,391</u>	<u>3,498,479</u>
Net book value			
At 29 March 2020	<u>7,195,234</u>	<u>1,095,499</u>	<u>8,290,733</u>
At 29 March 2019	<u>6,561,327</u>	<u>623,043</u>	<u>7,184,370</u>

Cost and accumulated depreciation brought forward was identified to have been allocated against the incorrect classification of tangible fixed asset. These were transferred between the classes accordingly, as shown above, resulting in no change to the net book value brought forward nor carried forward for total tangible fixed assets.

ROSA'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 30 March 2019	200
At 29 March 2020	200

The Company owns 100% of the issued share capital of the following companies:
 Rosa's Property Services Limited - Dormant company with an active proposal to strike off.
 Saiphin's Thai Kitchen Limited - Dormant company with an active proposal to strike off.

Both companies have the same registered office address of 26 Earlam Street, London, WC2H 9LN, England.

16. Stocks

	2020 £	2019 £
Food and other consumables	149,567	99,705
	<u>149,567</u>	<u>99,705</u>

There is no material difference between the book value of the stock and its replacement value.

ROSA'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

17. Debtors

	2020 £	2019 £
Due after more than one year		
Rent deposits	377,734	350,734
	<u>377,734</u>	<u>350,734</u>
Due within one year		
Trade debtors	129,902	511,839
Amounts owed by group undertakings	393,633	534,837
Other debtors	162,380	
Prepayments and accrued income	426,506	329,763
	<u>1,112,421</u>	<u>1,376,439</u>

18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	527,830	600,798
Trade creditors	930,521	721,419
Amounts owed to group undertakings	48,588	
Corporation tax		69,522
Other taxation and social security	832,488	683,381
Other creditors	1,430,244	1,022,281
	<u>3,769,671</u>	<u>3,097,401</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. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	2,012,668	1,783,710
	<u>2,012,668</u>	<u>1,783,710</u>

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 29 MARCH 2020

20. Deferred taxation

	2020 £
At beginning of year	39,177
Charged to profit or loss	(135,698)
At end of year	174,875

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	(266,354)	(39,177)
Short term timing differences	1,039	-
Losses and other deductions	90,440	
	(174,875)	(39,177)

21. Provisions

	Provision for Dilapidations £
At 30 March 2019	596,432
Increase in provision	107,992
At 29 March 2020	704,424

The provision recognised for dilapidations is an estimate of the costs which would be incurred to bring leasehold property back to its original state. The final cost incurred could differ from that provided for, and the timing of the release of the provision may also differ from that expected depending on the final exit date from the leasehold premises.

ROSA'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

22. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,574,696 (2019 - 1,574,696) Ordinary shares of £1.00 each	<u>1,574,696</u>	<u>1,574,696</u>

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.

23. Reserves

Share premium account

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.

Profit and loss account

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 29 MARCH 2020

24. Equity-settled share based payments

During the previous year the Company operated an Enterprise Management Incentive Scheme (EMI), which was open to all senior employees, including General Managers and Head Chefs who had completed two years' service with the group. Members were allocated options which could only be exercised when a liquid event (as defined in the articles) occurred. Options granted to employees were automatically forfeited when an employee left the group's employment. There were no other vesting conditions and the scheme was open ended. Each option entitled 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 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 for the previous year are below. The scheme closed on 6 June 2018.

	Weighted average exercise price (pence) 2020	Number 2020	Weighted average exercise price (pence) 2019	Number 2019
Outstanding at the beginning of the year		:	1048.20	368,392
Granted during the year		-		(226,579)
Forfeited during the year		-		(141,813)
Outstanding at the end of the year		-		-

All options held as at 1 April 2018 were either exercised or forfeited following the occurrence of a liquidity event on 6 June 2018. The scheme is now closed.

25. Commitments under operating leases

At 29 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	1,720,846	1,394,056
Later than 1 year and not later than 5 years	6,047,169	5,021,264
Later than 5 years	9,111,191	8,398,568
	16,879,206	14,813,888

The total amount of payments under operating lease recognised as an expense during the year was £1,676,468 (2019: £1,254,404)

ROSA'S LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

26. Prior year restatement

In the year ended 31 March 2019, £244,000 was incorrectly included within other sales and cost of sales relating to central kitchen costs which had been recharged within the company and not eliminated within the statutory accounts. These sales and costs have been removed from the comparatives, resulting in a restatement of the Statement of Income and Retained Earnings. There was no impact on profit nor retained earnings brought forward as a result of this adjustment.

It was also identified that costs and accumulated depreciation brought forward within tangible fixed assets was incorrectly allocated between classes. This has been transferred between classes with no impact on the total net book value. Please see note 14 for more detail.

27. Related party transactions

The Company is exempt under the terms of FRS 102 section 33.1A from disclosing related party transactions with entities that are wholly owed by the Spice Holding Ltd group.

During the prior year the Company made an interest bearing loan to a director of the Company. The amount due to the Company at the prior year end was £7,500, this was repaid in full during the year.

28. Controlling party

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

The results of Rosa's London Limited are included within the consolidated accounts of Spice Holding Limited, which may be obtained from Companies House.