

ANNUAL REPORT AND FINANCIAL  
STATEMENTS

FOR THE PERIOD ENDED

24 APRIL 2022

DAISY GREEN FOOD LIMITED

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# DAISY GREEN FOOD LIMITED

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## COMPANY INFORMATION

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<b>Directors</b>	P E Freeman T D Onions
<b>Registered number</b>	08024998
<b>Registered office</b>	1 Manchester Square London United Kingdom W1U 3AB
<b>Independent auditors</b>	Menzies LLP 1st Floor Midas House 62 Goldsworth Road Woking Surrey GU21 6LQ

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# DAISY GREEN FOOD LIMITED

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# DAISY GREEN FOOD LIMITED

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## STRATEGIC REPORT FOR THE PERIOD ENDED 24 APRIL 2022

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### Introduction

The Directors present their Strategic Report and audited financial statements for the 52 week period ended 24 April 2022.

### Business review

The Company operates a group of eleven Antipodean cafes, bars and restaurants in London. There were no additional sites opened during the period however three new sites were opened post year end.

During the Period, the Company continued to be affected by COVID-19, in particular with the emergence of the Omicron Variant in December 2021 which impacted the meaningful Christmas trading period and forced sites to operate on a significantly reduced basis over December 2021 and January 2022.

The Company worked throughout the period to control supplier costs and labour inflation. The Company utilised government grants, continued business rates relief and VAT relief schemes to partially offset the ongoing impacts of COVID-19 on the Company and the broader hospitality sector.

During the period, the Company generated Turnover of £13.6m and Company EBITDA of £1.3m, which the Directors believe is in line with best in class comparable operators in the UK.

The Company is positioned as one of London's top brunch led, all-day dining operators with revenues generated evenly throughout the day and across multiple touch points. In 2021, the Company's site in Soho, Scarlett Green, was awarded the coveted Number 1 Brunch Spot in the World by Tripadvisor which had a favourable and long term impact on the popularity and profitability of the Company.

### Principal risks and uncertainties

The business and the hospitality sector as a whole are susceptible to consumer confidence. As the economic outlook continues to be uncertain due to global unrest, inflation, industrial action and strikes, and COVID-19, and eating out for most people is discretionary, there may be further pressure on confidence and demand.

A key operational risk for the business is its ability to attract and retain talent, both back and front of house. The Company invests heavily in people, technology and training to mitigate these risks.

There is limited credit risk as the vast majority of customers pay by card at the point of sale.

There is limited exchange rate risk as the majority of purchases are made within the UK.

Stringent liquidity management is critical to the business and the Directors believe that maintaining a healthy cash balance is a prudent approach for the current market conditions.

There is risk that some increased costs seen during the period may continue into the future, however the Directors believe that these will be offset by other savings achieved as the business continues to grow and achieve scale.

### Future developments

The Company's strategy is to continue to invest in new sites in the UK whilst investing in the required teams, infrastructure and processes to support this growth. Additionally to maintain, improve and grow 'like for like' performances in existing sites as well as grow its direct to consumer businesses (coffee, lamingtons, lifestyle).

The Company opened three sites post year end and intends to continue to expand in a similar manner over the coming years.

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# DAISY GREEN FOOD LIMITED

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## STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 24 APRIL 2022

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### Financial key performance indicators

	2022	2021
	£	£
Sales	13,646,921	4,041,656
Adjusted EBITDA	<u>1,326,905</u>	<u>546,098</u>

The Company raised £2.6m of equity capital during the period (B Investment Shares) and an additional £1.3m (also B Investment Shares) post year end.

Adjusted EBITDA reported is £1,326,905 (2021: £546,096) with one-off directors expenses and kitchen scaling-up expenses totalling £198,419 (2021: £407,307). These figures include kitchen scaling-up expenses of £191,852 (£145,783) which relates to investment in the central kitchen to facilitate significant new sites opening post year end.

The Directors are satisfied with the turnover and the adjusted EBITDA achieved, particularly in light of the ongoing challenging economic backdrop.

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

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**P E Freeman**

Director

Date: 27 January 2023

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# DAISY GREEN FOOD LIMITED

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## DIRECTORS' REPORT FOR THE PERIOD ENDED 24 APRIL 2022

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The directors present their report and the financial statements for the period ended 24 April 2022.

### Directors

The directors who served during the period were:

P E Freeman  
T D Onions

### 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.

### Principal activity

The Company's principal activity during the year under review continued to be the operation of restaurants.

### Going concern

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future despite the current economic challenges. For this reason, the directors continue to adopt the ongoing concern basis of accounting in preparing the annual financial statements. Please see note 2.3 for detail.

### Results and dividends

The loss for the period, after taxation, amounted to £169,912 (2021 - loss £872,688).

### Matters covered in the strategic report

In accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the Strategic Report preceding the Directors' Report includes information that would formerly have been included in the business review and the principal risk and uncertainties section of the Directors' Report.

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# DAISY GREEN FOOD LIMITED

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## DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 24 APRIL 2022

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### Employee involvement

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the Company. This is achieved through regular contact by management with employees both over electronic communications and formal and informal communications.

### Disabled employees

The Company does not discriminate against disabled workers for those vacancies they are able to fill. All necessary assistance with initial training courses is given. Arrangements are made, wherever possible, for retaining employees who become disabled to enable them to perform work identified as appropriate to their aptitudes and abilities.

### 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.

### Post balance sheet events

Subsequent to the year end, the company raised c.£1.3m in additional equity capital (B Investment Shares). Please see note 24.

### Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

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**P E Freeman**  
Director

Date: 27 January 2023

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAISY GREEN FOOD LIMITED**

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**Opinion**

We have audited the financial statements of Daisy Green Food Limited (the 'Company') for the period ended 24 April 2022, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows, 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 24 April 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAISY GREEN FOOD LIMITED  
(CONTINUED)

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**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAISY GREEN FOOD LIMITED  
(CONTINUED)**

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations are the most significant including:

- The Companies Act 2006;
- Financial Reporting Standard 102;
- General Data Protection Regulations;
- UK employment legislation;
- UK health and safety regulations; and
- UK tax legislation.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

- We understood how the Company is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - Challenging assumptions and judgments made by management in its significant accounting estimates; and
  - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Posting of journals to the accounting software which are of a non-routine nature in terms of timing and amount.
- Completeness of revenue through the incorrect recognition point and inconsistency of the application of the revenue recognition policy.
- The use of management override of controls to manipulate results.
- Capitalisation of tangible fixed assets which do not meet the capitalisation criteria.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAISY GREEN FOOD LIMITED  
(CONTINUED)

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

**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.

Tom Woods ACA (Senior Statutory Auditor)

for and on behalf of

**Menzies LLP**

1st Floor

Midas House

62 Goldsworth Road

Woking

Surrey

GU21 6LQ

27 January 2023

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# DAISY GREEN FOOD LIMITED

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## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE PERIOD ENDED 24 APRIL 2022

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	Note	2022 £	2021 £
Turnover	4	13,646,921	4,041,656
Cost of sales		<u>(4,086,863)</u>	<u>(1,632,365)</u>
<b>Gross profit</b>		<b>9,560,058</b>	<b>2,409,291</b>
Administrative expenses		<b>(10,953,424)</b>	<b>(6,075,155)</b>
Other operating income	5	<u>1,858,950</u>	<u>2,713,575</u>
<b>Operating profit/(loss)</b>	6	<b>465,584</b>	<b>(952,289)</b>
Income from fixed assets investments	9	-	467,009
Interest payable and similar expenses	10	<u>(176,695)</u>	<u>(129,107)</u>
<b>Profit/(loss) before tax</b>		<b>288,889</b>	<b>(614,387)</b>
Tax on profit/(loss)	11	<u>(458,801)</u>	<u>(258,301)</u>
<b>Loss after tax</b>		<b><u>(169,912)</u></b>	<b><u>(872,688)</u></b>
Retained earnings at the beginning of the period		<u>(2,279,567)</u>	<u>(1,406,879)</u>
		<b>(2,279,567)</b>	<b>(1,406,879)</b>
Loss for the period		<u>(169,912)</u>	<u>(872,688)</u>
<b>Retained earnings at the end of the period</b>		<b><u>(2,449,479)</u></b>	<b><u>(2,279,567)</u></b>

The notes on pages 14 to 29 form part of these financial statements.

**DAISY GREEN FOOD LIMITED**  
**REGISTERED NUMBER:08024998**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 24 APRIL 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	6,546,366	5,109,867
Investments	13	60,614	25,509
		<u>6,606,980</u>	<u>5,135,376</u>
<b>Current assets</b>			
Stocks		136,593	107,344
Debtors: amounts falling due after more than one year	14	357,696	254,248
Debtors: amounts falling due within one year	14	1,291,807	692,453
Cash at bank and in hand		3,403,879	699,450
		<u>5,189,975</u>	<u>1,753,495</u>
Creditors: amounts falling due within one year	15	(3,521,858)	(3,049,179)
<b>Net current assets/(liabilities)</b>		<u>1,668,117</u>	<u>(1,295,684)</u>
<b>Total assets less current liabilities</b>		<u>8,275,097</u>	<u>3,839,692</u>
Creditors: amounts falling due after more than one year	16	(5,283,973)	(3,754,596)
<b>Provisions for liabilities</b>			
Deferred tax	17	(739,046)	(280,245)
Other provisions	18	(332,354)	(286,602)
		<u>(1,071,400)</u>	<u>(566,847)</u>
<b>Net assets/(liabilities)</b>		<u><u>1,919,724</u></u>	<u><u>(481,751)</u></u>
<b>Capital and reserves</b>			
Called up share capital		2	2
Share premium account	20	4,369,201	1,797,814
Profit and loss account	20	(2,449,479)	(2,279,567)
		<u>1,919,724</u>	<u>(481,751)</u>

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

.....  
**P E Freeman**  
 Director

Date: 27 January 2023

The notes on pages 14 to 29 form part of these financial statements.

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# DAISY GREEN FOOD LIMITED

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## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 24 APRIL 2022

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
<b>At 26 April 2020</b>	<b>2</b>	<b>1,797,814</b>	<b>(1,406,879)</b>	<b>390,937</b>
Loss for the period	-	-	(872,688)	(872,688)
<b>At 25 April 2021</b>	<b>2</b>	<b>1,797,814</b>	<b>(2,279,567)</b>	<b>(481,751)</b>
Loss for the period	-	-	(169,912)	(169,912)
Shares issued during the period	-	2,571,387	-	2,571,387
<b>At 24 April 2022</b>	<b>2</b>	<b>4,369,201</b>	<b>(2,449,479)</b>	<b>1,919,724</b>

The notes on pages 14 to 29 form part of these financial statements.

# DAISY GREEN FOOD LIMITED

## STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 24 APRIL 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial period	(169,912)	(872,688)
<b>Adjustments for:</b>		
Depreciation of tangible assets	662,902	624,072
Interest paid	176,695	129,107
(Increase) in stocks	(29,249)	(47,612)
(Increase) in debtors	(702,802)	(67,789)
Increase in creditors	1,381,986	290,139
(Decrease) in amounts owed to group companies	-	(467,009)
Increase in provisions	504,553	272,197
Dividends received	-	467,009
<b>Net cash generated from operating activities</b>	<u>1,824,173</u>	<u>327,426</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(2,099,401)	(606,167)
Sale of listed investments	-	2
Purchase of unlisted and other investments	(35,105)	-
Dividends received	-	(467,009)
<b>Net cash from investing activities</b>	<u>(2,134,506)</u>	<u>(1,073,174)</u>
<b>Cash flows from financing activities</b>		
Issue of non-equity shares	2,571,387	-
New secured loans	443,375	-
Repayment of loans	-	1,024,426
<b>Net cash used in financing activities</b>	<u>3,014,762</u>	<u>1,024,426</u>
<b>Net increase in cash and cash equivalents</b>	<u>2,704,429</u>	<u>278,678</u>
Cash and cash equivalents at beginning of period	699,450	420,772
<b>Cash and cash equivalents at the end of period</b>	<u><u>3,403,879</u></u>	<u><u>699,450</u></u>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	3,403,879	699,450
	<u><u>3,403,879</u></u>	<u><u>699,450</u></u>

The notes on pages 14 to 29 form part of these financial statements.

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# DAISY GREEN FOOD LIMITED

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## ANALYSIS OF NET DEBT FOR THE PERIOD ENDED 24 APRIL 2022

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	At 25 April 2021	Cash flows	At 24 April 2022
	£	£	£
Cash at bank and in hand	699,450	2,704,429	3,403,879
Debt due after 1 year	(3,155,220)	(544,070)	(3,699,290)
Debt due within 1 year	(577,508)	331,426	(246,082)
	<u>(3,033,278)</u>	<u>2,491,785</u>	<u>(541,493)</u>

The notes on pages 14 to 29 form part of these financial statements.

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# DAISY GREEN FOOD LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

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### 1. General information

Daisy Green Food Limited is a private company, limited by shares, registered in England and Wales. The registered office and principal place of business can be found on the company information page. The Company's principal activity is disclosed in the directors' report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Preparation of consolidated financial statements

The only active company within the Group is Daisy Green Food Limited. The only other subsidiary (Daisy Green Marble Arch Limited) was dormant in the current period and the prior period only included one transaction, being the payment of a dividend to Daisy Green Food Limited, shown within note 9 of these accounts. As a result the directors have chosen not to prepare consolidated financial statements.

#### 2.3 Going concern

Despite unprecedented levels of operational uncertainty across the hospitality industry, the Company has demonstrated that its offering remains resilient and in demand. While future business interruption continues to threaten due to industrial action, inflation and COVID-19 the Company has taken appropriate measures to reasonably expect that it will have adequate resources to continue to trade for the next 12 months, including the raising of significant equity capital both during the period and post year end.

The Directors are confident that the Company will trade profitably and in a cash generating manner post year end, which will generate sufficient funds to cover the remaining net current liabilities as they fall due. Therefore it is appropriate to prepare the financial statements on a going concern basis.

#### 2.4 Turnover

Revenue represents net invoiced food and drink sales from a number of restaurants in the UK.

Revenue is recognised once the food and drink has been delivered to the customers and a sales transaction with the customer has been recognised using a till system.

Revenue from delivery and direct to consumer sales is recognised on delivery. Revenue from take away sales is recognised on collection.

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# DAISY GREEN FOOD LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

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### 2. Accounting policies (continued)

#### 2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

#### 2.7 Other operating income

Other operating income consists of 12.5% service charges on food and drink, which are collected and recognised upon point of sale. Subsequent payments are processed through payroll and are included within administrative expenses.

Also included in other operating income are capital contribution lease incentives, which are released to the Statement of Income and Retained Earnings over the length of the lease to which they relate.

#### 2.8 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

#### 2.9 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.

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# DAISY GREEN FOOD LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

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### 2. Accounting policies (continued)

#### 2.9 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Leasehold improvements	- over 10 to 25 years straight line
Plant and machinery	- 20% to 50% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- over 10 to 15 years straight line
Computer equipment	- 20% straight line

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

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

Included within leasehold improvements are pre-opening costs which are directly attributable to bring the restaurant into use. Depreciation commences when the restaurant is opened.

#### 2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.11 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.

#### 2.12 Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

#### 2.13 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.

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# DAISY GREEN FOOD LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

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### 2. Accounting policies (continued)

#### 2.14 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the 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, 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.

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# DAISY GREEN FOOD LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

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### 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 disclosures 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.

#### Judgements:

##### a) Impairment of fixed assets

The Company carries artwork within fixtures and fittings in tangible fixed assets at cost, and does not apply depreciation as the residual value is judged to not fall below historic cost.

##### b) Onerous leases

At each reporting date the Company considers whether any leases are considered to be onerous. Leases considered to be onerous would be recognised as a liability within the Statement of Financial Position. Sales, gross profitability and EBITDA are reviewed when management consider whether leases are onerous.

##### c) Capitalisation of time

The company capitalises time incurred by employees and directors with regard to getting tangible fixed assets into the state in which they can be used. This includes time incurred by directors which would otherwise have been incurred by third parties with respect to legal and architect's fees. The directors record the time incurred in respect of these activities and consider that they are best reflected within tangible fixed assets, with the respective cost being depreciated over the time in which the costs will generate a benefit to the company. Remaining costs incurred relating to wages and salaries for directors and other staff in relation to opening new stores and the general running of the business are expensed.

#### Estimates:

##### a) Dilapidations provision

The Company includes a provision for dilapidations within the Statement of Financial Position. Dilapidation provisions are based on an estimate of the future expected cost of returning restaurant sites to their previous states, as required by the leases to which they relate. The estimated costs are discounted to their present value and unwound over the length of the respective leases. Depreciation of the tangible fixed asset component is released to

the Statement of Income and Retained Earnings over the same period.

### 4. Turnover

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

	2022	2021
	£	£
Sales of food and drink	13,646,921	4,041,656
	<u>13,646,921</u>	<u>4,041,656</u>

All turnover arose within the United Kingdom.

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# DAISY GREEN FOOD LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

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### 5. Other operating income

	2022	2021
	£	£
Other operating income	1,552,489	439,186
Coronavirus Job Retention Scheme	237,336	1,886,011
Government Grants	69,125	388,378
	<u>1,858,950</u>	<u>2,713,575</u>

The Government Grants amount of £69,125 (2021: £388,378) consists of the following amounts: Closed Business Lockdown Payment Grant of £nil (2021: £21,000), National Restrictions Support Grant of £nil (2021: £154,859), Restart Grants of £69,125 (2021: £126,000), and Eat Out To Help Out Grants of £nil (2021: £86,519).

Included within other operating income are service charges of £1,552,489 (2021: £404,539) and other revenue of £nil (2021: £34,647).

### 6. Operating profit/(loss)

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

	2022	2021
	£	£
Other operating lease rentals	856,795	299,879
Depreciation on tangible fixed assets	662,902	624,072
Government Grants	69,125	388,378
Auditors remuneration	24,000	14,750
Savings in respect of business rates relief	<u>-</u>	<u>359,566</u>

Rental concessions of £187,571 (2021 - £705,232) were received during the year.

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# DAISY GREEN FOOD LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

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### 7. Employees

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

	2022 £	2021 £
Wages and salaries	6,916,000	3,655,647
Social security costs	408,506	289,111
Cost of defined contribution scheme	114,848	56,617
	<u>7,439,354</u>	<u>4,001,375</u>

The above includes capitalised amounts totalling £223,012 (2021: £116,775). These are included within tangible fixed asset additions (note 12).

The average number of employees, including part time employees and directors, during the period was 264 (2021: 169).

### 8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	557,505	338,974
Company contributions to defined contribution pension schemes	2,642	2,627
	<u>560,147</u>	<u>341,601</u>

The directors emoluments above include capitalised amounts totalling £146,922 (2021: £60,492). These are included within tangible fixed asset additions (note 12).

The highest paid director received a salary of £150,000 (2021: £150,000) as well as a one off bonus of £97,917 (2021: £nil).

The highest paid director received company contributions to defined contribution pension schemes of £1,321 (2021: £1,314).

### 9. Income from investments

	2022 £	2021 £
Dividends received from unlisted investments	-	467,009
	<u>-</u>	<u>467,009</u>

The dividend received in the prior year was in relation to a hive up transaction from the Company's subsidiary, Daisy Green Marble Arch Limited.

# DAISY GREEN FOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

### 10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	176,695	5,787
Other loan interest payable	-	123,320
	<u>176,695</u>	<u>129,107</u>

### 11. Taxation

	2022 £	2021 £
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>458,801</u>	<u>258,301</u>
<b>Total deferred tax</b>	<u>458,801</u>	<u>258,301</u>
<b>Taxation on profit on ordinary activities</b>	<u>458,801</u>	<u>258,301</u>

#### Factors affecting tax charge for the period

The tax assessed for the period is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	<u>288,889</u>	<u>(614,387)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	54,889	(116,734)
<b>Effects of:</b>		
Fixed asset differences	(10,236)	67,687
Expenses not deductible for tax purposes	3,818	2,457
Other permanent differences	114	-
Adjustments to tax charge in respect of previous - deferred tax	(8,458)	(5,280)
Exempt ABGH distributions	-	(88,732)
Deferred tax asset not recognised	443,473	398,903
Remeasurement of deferred tax for changes in tax rates	(24,799)	-
<b>Total tax charge for the period</b>	<u>458,801</u>	<u>258,301</u>

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# DAISY GREEN FOOD LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

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### 11. Taxation (continued)

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

The Company has £3,369,503 (2021: £2,099,489) of unutilised tax losses where no deferred tax asset has been recognised.

# DAISY GREEN FOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

### 12. Tangible fixed assets

	Long-term leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 25 April 2021	2,406,979	1,057,542	54,171	3,563,683	138,437	7,220,812
Additions	105,015	442,915	2,304	1,532,592	16,575	2,099,401
			56,475		155,012	
At 24 April 2022	<u>2,511,994</u>	<u>1,500,457</u>		<u>5,096,275</u>		<u>9,320,213</u>
<b>Depreciation</b>						
At 25 April 2021	581,672	475,977	54,171	922,718	76,407	2,110,945
Charge for the period on owned assets	169,467	127,814	415	339,303	25,903	662,902
			54,586		102,310	
At 24 April 2022	<u>751,139</u>	<u>603,791</u>		<u>1,262,021</u>		<u>2,773,847</u>
<b>Net book value</b>						
At 24 April 2022	<u>1,760,855</u>	<u>896,666</u>	<u>1,889</u>	<u>3,834,254</u>	<u>52,702</u>	<u>6,546,366</u>
<b>At 24 April 2021</b>	<u>1,825,307</u>	<u>581,565</u>	<u>-</u>	<u>2,640,965</u>	<u>62,030</u>	<u>5,109,867</u>

Artwork with a net book value of £400,883 (2021: £340,784) is included within fixtures and fittings, as per the accounting policy. No depreciation has been charged in relation to these assets.

Total capitalised wages and salaries amounting to £223,012 (2021: £116,775) are included within additions above.

# DAISY GREEN FOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

### 13. Fixed asset investments

	<b>Unlisted investments</b>
	<b>£</b>
<b>Cost or valuation</b>	
At 25 April 2021	<b>25,509</b>
Additions	<b>35,105</b>
At 24 April 2022	<b><u>60,614</u></b>

The company's investments at the balance sheet date are in the share capital of the following companies:

Daisy Green Food Marble Arch Limited - 100% holding of the company. The registered office address is 1 Manchester Square, London, United Kingdom, W1U 3AB. This investment was impaired to £nil during the prior period.

Liberty Brewing Limited - 0.4% holding of the company. The registered office address is Freedom Brewery, Bagots Park, Abbots Bromley, Rugeley, Staffordshire, England, WS15 3ER.

Storekit Limited - 0.15% holding of the company. The registered office address is 1st Floor Gallery Court, 28 Arcadia Avenue, London, United Kingdom, N3 2FG.

Zone Capital Limited - 0.45% holding of the company. The registered office address is 1st Floor Gallery Court, 28 Arcadia Avenue, London, United Kingdom, N3 2FG.

Also included within the above is a £505 investment in the crowdfunding platform Crowdcube. The registered office address is Fourth Floor, Broadwalk House (South Block), Exeter, Devon, England, EX1 1TS.

### 14. Debtors

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>		
Other debtors	<b>357,696</b>	<b>254,248</b>
	<b><u>357,696</u></b>	<b><u>254,248</u></b>
<b>Due within one year</b>		
Trade debtors	<b>246,667</b>	<b>240,655</b>
Other debtors	<b>697,003</b>	<b>229,327</b>
Prepayments and accrued income	<b>348,137</b>	<b>222,471</b>
	<b><u>1,291,807</u></b>	<b><u>692,453</u></b>

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# DAISY GREEN FOOD LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

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### 15. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	-	424,000
Trade creditors	1,655,956	922,666
Other taxation and social security	432,503	721,305
Other creditors	774,762	428,919
Accruals and deferred income	658,637	552,289
	<u>3,521,858</u>	<u>3,049,179</u>

The bank loans shown above of £nil (2021: £424,000) are secured via a fixed and floating charge over the assets of the Company.

### 16. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	3,699,290	3,155,220
Other creditors	460,000	-
Accruals and deferred income	1,124,683	599,376
	<u>5,283,973</u>	<u>3,754,596</u>

The bank loans shown above of £3,699,290 (2021: £3,155,220) are secured via a fixed and floating charge over the assets of the Company.

All creditors are due within 5 years for both periods.

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# DAISY GREEN FOOD LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

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### 17. Deferred taxation

	2022 £	2021 £
At beginning of year	(280,245)	(21,944)
Charged to profit or loss	(458,801)	(258,301)
<b>At end of year</b>	<b><u>(739,046)</u></b>	<b><u>(280,245)</u></b>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	(741,396)	(282,671)
Short term timing differences	2,350	2,426
	<b><u>(739,046)</u></b>	<b><u>(280,245)</u></b>

### 18. Provisions

	Dilapidation provision £
At 25 April 2021	286,602
Charged to profit or loss	45,752
<b>At 24 April 2022</b>	<b><u>332,354</u></b>

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.

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# DAISY GREEN FOOD LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

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### 19. Share capital

	2022	2021
	£	£
18,000,000 (2020 - 18,000,000) Ordinary A shares of £0.00000011 each	2	2
1,994,700 (2020 - 1,994,700) B Investment shares of £0.00000011 each	-	-
	<u>2</u>	<u>2</u>

B Investment shares have full rights with respect to dividends and distributions.

Ordinary A shares have full rights with respect to voting, dividends, and distributions.

During the year the Company allotted 1,908,725 B Investment shares, with an aggregate nominal value of £0.21, at a premium of £2,634,040.

### 20. Reserves

#### Share premium account

The share premium account records the amount 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

This reserve records retained earnings and accumulated losses.

# DAISY GREEN FOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

### 21. Share based payments

Equity-settled share based payments

The Company has a share option scheme in place for some key management personnel (not including directors). Options are exercisable at a price equal to the average market price of the Company's shares on the date of the grant. The options may be exercised on the sale or floatation of the company, if within 10 years.

Options are forfeited if the employee leaves the Company before the options may be exercised.

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

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	0.30	122,500	0.30	122,500
Granted during the year	0.30	177,500	0	-
<b>Outstanding at the end of the year</b>	<b>0.30</b>	<b>300,000</b>	<b>0.30</b>	<b>122,500</b>

The directors consider the value of the share options to be immaterial.

The Company recognised total expenses of £Nil (2021: £Nil) related to equity-settled share-based payment transactions during the year.

### 22. Commitments under operating leases

At 24 April 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	1,237,681	822,327
Later than 1 year and not later than 5 years	4,365,789	2,580,339
Later than 5 years	10,683,669	4,311,594
	<b>16,287,139</b>	<b>7,714,260</b>

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# DAISY GREEN FOOD LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 APRIL 2022

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### 23. Related party transactions

During the year transactions were undertaken with a related company by virtue of it being under common control by both directors. Purchases of £1,883 (2021: £2,874) were made and advances of £Nil (2021: £Nil) were made to this company. At the year end the Daisy Green Food Limited was owed £72,817 (2021: £70,934) by the related party.

During the year the following transactions with a director took place:

	Brought Forward £	Advance/ Credit £	Repaid £	Carried Forward £
Director Loan	3,850	141,174	98,623	46,401
	<u>3,850</u>	<u>141,174</u>	<u>98,623</u>	<u>46,401</u>

The above directors loan is held within the other debtor balance as per note 14.

No interest was charged on this loan during the year (2021: £Nil).

### 24. Post balance sheet events

The Company has raised £1.3m in additional equity capital (B Investment Shares) post year end.

The Company has opened three new restaurants in the period post year end.

### 25. Controlling party

P E Freeman and T D Onions were deemed to be the controlling parties by virtue of their shareholding.

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.