

CHICK 'N SOURS LIMITED

UNAUDITED

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FOR THE PERIOD ENDED 22 MAY 2022

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CHICK 'N SOURS LIMITED
REGISTERED NUMBER: 09171005

BALANCE SHEET
AS AT 22 MAY 2022

	Note	22 May 2022 £	23 May 2021 £
Fixed assets			
Tangible assets	5	702,176	961,018
		<u>702,176</u>	<u>961,018</u>
Current assets			
Stocks	6	11,380	7,913
Debtors: amounts falling due within one year	7	146,866	159,528
Cash at bank and in hand	8	70,658	92,926
		<u>228,904</u>	<u>260,367</u>
Creditors: amounts falling due within one year	9	(551,814)	(430,537)
Net current liabilities		<u>(322,910)</u>	<u>(170,170)</u>
Total assets less current liabilities		<u>379,266</u>	<u>790,848</u>
Creditors: amounts falling due after more than one year	10	(683,244)	(625,629)
Net (liabilities)/assets		<u><u>(303,978)</u></u>	<u><u>165,219</u></u>
Capital and reserves			
Called up share capital	12	5	5
Share premium account		2,249,997	2,249,997
Profit and loss account		(2,553,980)	(2,084,783)
		<u><u>(303,978)</u></u>	<u><u>165,219</u></u>

CHICK 'N SOURS LIMITED
REGISTERED NUMBER: 09171005

BALANCE SHEET (CONTINUED)
AS AT 22 MAY 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

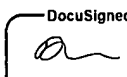
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

DocuSigned by:

.....
CCA6B72BE630472...
D Wolanski
Director

Date: 23-03-23

The notes on pages 3 to 12 form part of these financial statements.

CHICK 'N SOURS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 22 MAY 2022**

1. General information

Chick 'N Sours Limited is a private company, limited by shares and registered in England and Wales, registration number 09171005. The principal place of business is Ground Floor and Basement 390 Kingsland Road, London E8 4AA.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

The validity of this assumption depends on the continuing support from the company's financiers, creditors and the ability to have sufficient working capital in the foreseeable future. The company's directors are not aware of any reason why the support from the company's financiers and other creditors will not be renewed. The continuation of this support is critical to the company's ability to meet its liabilities as they fall due.

Should the going concern basis of preparation of the financial statements be found to be inappropriate should such support be withdrawn by the financiers or there was insufficient working capital for the company to continue as a going concern, adjustments may have to be made to reduce the value of assets to their recoverable amount, to provide further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities respectively, both adjustments having a consequent effect on the profit and loss account. It is not practical to quantify these potential adjustments which are not included in these financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

CHICK 'N SOURS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 22 MAY 2022**

2. Accounting policies (continued)

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

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

The company has taken advantage of the grants available under the Coronavirus Job Retention Scheme and consistent with point above, income has been classified as other income in the Statement of income and retained earnings.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 Pensions

Defined contribution pension plan

The Company participates in 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

CHICK 'N SOURS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 22 MAY 2022**

2. Accounting policies (continued)**2.8 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 balance sheet 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 balance sheet 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 balance sheet date.

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.

CHICK 'N SOURS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 22 MAY 2022**

2. Accounting policies (continued)

2.10 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:

Long-term leasehold property	- 10-15 years
Plant and machinery	- 10 years
Motor vehicles	- 10 years
Computer equipment	- 10 years

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.

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. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

CHICK 'N SOURS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 22 MAY 2022**

2. Accounting policies (continued)

2.15 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 Balance Sheet.

2.16 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.

3. Employees

The average monthly number of employees, including directors, during the period was 45 (2021 - 63).

4. Intangible assets

	Goodwill £
Cost	
At 24 May 2021	15,000
At 22 May 2022	15,000
Amortisation	
At 24 May 2021	15,000
At 22 May 2022	15,000
Net book value	
At 22 May 2022	-

CHICK 'N SOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 22 MAY 2022

5. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation					
At 24 May 2021	848,138	455,670	544	71,010	1,375,362
Additions	10,051	5,799	82,833	300	98,983
Disposals	(296,814)	12,997	-	(24,758)	(308,575)
At 22 May 2022	561,375	474,466	83,377	46,552	1,165,770
Depreciation					
At 24 May 2021	204,765	192,502	356	16,722	414,345
Charge for the period on owned assets	70,978	46,797	2,077	5,878	125,730
Disposals	(74,203)	3,912	-	(6,190)	(76,481)
At 22 May 2022	201,540	243,211	2,433	16,410	463,594
Net book value					
At 22 May 2022	359,835	231,255	80,944	30,142	702,176
At 23 May 2021	643,373	263,169	188	54,288	961,018

6. Stocks

	22 May 2022 £	23 May 2021 £
Stock	11,380	7,913
	11,380	7,913

CHICK 'N SOURS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 22 MAY 2022**

7. Debtors

	22 May 2022 £	23 May 2021 £
Trade debtors	9,114	1,373
Amounts owed by joint ventures and associated undertakings	946	-
Other debtors	101,453	139,372
Prepayments and accrued income	35,353	18,783
	<u>146,866</u>	<u>159,528</u>

8. Cash and cash equivalents

	22 May 2022 £	23 May 2021 £
Cash at bank and in hand	70,658	92,926
	<u>70,658</u>	<u>92,926</u>

9. Creditors: Amounts falling due within one year

	22 May 2022 £	23 May 2021 £
Bank loans	9,747	-
Other loans	30,000	39,507
Trade creditors	208,153	125,806
Other taxation and social security	92,791	96,301
Other creditors	198,163	134,693
Accruals and deferred income	12,960	34,230
	<u>551,814</u>	<u>430,537</u>

CHICK 'N SOURS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 22 MAY 2022**

10. Creditors: Amounts falling due after more than one year

	22 May 2022 £	<i>23 May 2021 £</i>
Bank loans	30,746	<i>50,000</i>
Other loans	652,498	<i>575,629</i>
	<u>683,244</u>	<u><i>625,629</i></u>

On 13th February 2020 there was a floating charge registered with Chick 'N Sours Limited for Hessel Street Limited. This floating charge covers all the property, monies, rights and assets of the company.

On 27th April 2020 there was a further floating charge registered with Chick 'N Sours Limited for Hessel Street Limited. This floating charge covers all the property, monies, rights and assets of the company.

CHICK 'N SOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 22 MAY 2022

11. Loans

Analysis of the maturity of loans is given below:

	22 May 2022 £	23 May 2021 £
Amounts falling due within one year		
Bank loans	9,747	-
Other loans	30,000	39,507
	<u>39,747</u>	<u>39,507</u>
Amounts falling due 1-2 years		
Bank loans	9,994	50,000
Other loans	30,000	(10,253)
	<u>39,994</u>	<u>39,747</u>
Amounts falling due 2-5 years		
Bank loans	20,752	-
Other loans	90,000	120,746
	<u>110,752</u>	<u>120,746</u>
Amounts falling due after more than 5 years		
Other loans	532,497	465,136
	<u>532,497</u>	<u>465,136</u>
	<u>722,990</u>	<u>665,136</u>

12. Share capital

	22 May 2022 £	23 May 2021 £
Allotted, called up and fully paid		
3,801 (2021 - 3,801) SERIES A shares of £0.001 each	3.801	3.801
724 (2021 - 724) ORDINARY shares of £0.001 each	0.724	0.724
	<u>4.525</u>	<u>4.525</u>

CHICK 'N SOURS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 22 MAY 2022**

13. Pension commitments

The Company participates in a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £11,835 (2021: £12,116). Contributions totalling £2,404 (2021: £2,501) were payable to the fund at the balance sheet date and are included in creditors.

14. Related party transactions

At the balance sheet date, the following amounts were due to directors of the company:-
£107,900 due to David Wolanski (2021: £11,318)

The Company has a liability of £682,497 (2021: £553,954) relating to a loan from a company owned by family members of D Wolanski. Interest on this loan is being accrued at 5%.

At the balance sheet date, the following amounts were due from related parties of the company:
£946 due from Chik'N Ltd (2021: £nil)

15. Controlling party

The ultimate controlling party is D Wolanski, due to his majority shareholding.