

Stein's Trading Limited

**Annual Report and Financial Statements
Period from 31 December 2018 to 29 December 2019**

Registration number: 09190817

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Stein's Trading Limited

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Stein's Trading Limited

Company Information

Directors	Mr C R Stein
	Ms J Stein
	Mr I Fitzgerald
	Mr C Stein
	Mr E Stein
	Mr J H Stein
Registered office	The Seafood Restaurant Riverside Padstow Cornwall PL28 8BY
Bankers	Barclays Bank Plc 14 King Street Truro Cornwall TR1 2RB
Auditors	PKF Francis Clark Statutory Auditor Lowin House Tregolls Road Truro Cornwall TR1 2NA

Stein's Trading Limited

Strategic Report

Period from 31 December 2018 to 29 December 2019

The directors present their strategic report for the period from 31 December 2018 to 29 December 2019.

Principal activity

The principal activity of the company is the operation of restaurants.

Fair review of the business

Trading

The results for the period are set out on page 11.

The restaurant trade in the UK has had a turbulent time over the last 2 years and a number of chains have gone into CVA or administration. Despite this difficult economic backdrop the business has managed to make progress, improving turnover by 2.0%.

Although the business saw commercial success in developing its revenues, pressures remain due to increasing costs and in particular the cost changes due to further increased regulatory costs - the living wage, business rates, apprenticeship levy and pension audit enrolment.

The loss before tax was £244,000 (2018: loss of £378,000).

The Company continues to seek opportunities that will increase profitability.

Key performance indicators

The Directors and Executives receive a wide range of management information for each trading unit on a weekly basis including comparatives against budget and the previous period. The principal measures that are reviewed and managed are:

- Turnover, like for like;
- Gross profit margin;
- Wages/sales margin;
- Restaurants - average spend per head;
- Cost of sales variance reports comparing actual gross profit to budget gross profit for each site;
- Overhead costs - purchasing manager to control cost;
- Cash flow forecasting - rolling 12 month forecasts are prepared, which are updated each week and reviewed monthly by the directors;
- Customer feedback - instant daily feedback using daily ResDiary, Silent Customer, NPS (Net Promoter Score);
- Staff retention - focus to reduce staff turnover; and
- Staff Engagement surveys.

All potential capital projects are subjected to Net Present Value investment appraisal techniques which are stress tested to ensure that informed investment decisions can be taken.

Stein's Trading Limited

Strategic Report

Period from 31 December 2018 to 29 December 2019

Principal risks and uncertainties

The key business risks and uncertainties facing the Company are:

Operating in a COVID world - Stein's Trading Limited has proved to be resilient to the pressures of operating with the restrictions imposed by COVID. The business reacted quickly to the changing nature of business and adapted to rapidly develop processes to cope with the unique problems which have arisen during the pandemic. Inevitably, the pandemic has impacted trading in 2020, with a portion of the year seeing the business closed. However, the business has moved to develop a flexible approach to staffing issues and reduced central costs whilst also ensuring that it retains the quality of service it is renowned for.

Whilst prolonged enforced closures will have inevitable financial consequences for the business, it is confident that the business can be successful even with the challenges presented by COVID.

Brexit - The economic and political uncertainty of our business environment may be destabilised by the United Kingdom's decision to leave the European Union. Whilst the business faces the following risks, it should be noted that the business is UK centred, with principally a UK customer base and almost entirely UK suppliers:

- The loss of freedom of movement provisions
- Changes to provisions regarding the movement of data
- Foreign exchange risks
- Imposition of tariffs

Hence the level of impact is expected to be immaterial.

Cash flow - The cash flow of the business is reliant on the trading performance of its core business. Whilst the pandemic has presented a level of challenge to the revenues of the business, the entity has managed cash flow through being able to work with suppliers to ensure sufficient facilities are preserved.

Approved by the Board on 21-12-20 and signed on its behalf by:



Mr I Fitzgerald
Director

Stein's Trading Limited

Directors' Report

Period from 31 December 2018 to 29 December 2019

The directors present their report and the financial statements for the period from 31 December 2018 to 29 December 2019.

Directors of the company

The directors who held office during the period were as follows:

Mr C R Stein

Ms J Stein

Mr N J McLeod (resigned 27 April 2020)

The following directors were appointed after the period end:

Mr I Fitzgerald (appointed 3 June 2020)

Mr C Stein (appointed 3 June 2020)

Mr E Stein (appointed 3 June 2020)

Mr J H Stein (appointed 3 June 2020)

Results and dividends

The loss before tax for the financial period amounted to £244,000 (2018: £378,000).

No dividends were declared or paid during the period (2018: £nil).

Charitable donations

During the period, the Company made charitable donations of £3,253 (2018: £nil).

Future developments

The future developments of the Company are discussed within the Business Review section of the Strategic Report on page 2.

Employees

The Company is one of the largest private sector employers in Cornwall, the average number of full time equivalent employees for the period was 272 (2018: 250).

Employee engagement

The Company is committed to the involvement of all employees in the business. Managers are measured closely on the Company's performance targets and are incentivised with profit related bonus schemes. Performance information is shared throughout the teams.

Stein's Trading Limited

Directors' Report

Period from 31 December 2018 to 29 December 2019

Equal opportunities

The Company is an equal opportunities employer. Its policy is to ensure that all employees are treated with the same respect and consideration regarding sex, age, colour, disability, nationality, or ethnic origin. The Company's policy is to provide training, career development and opportunities for promotion.

Financial risk management

There is little credit risk as credit sales form a very small percentage of total sales. The Company has policies in place that require appropriate credit checks on new potential customers and active credit control procedures.

With regards to liquidity risk, the Company actively manages cash and prepares rolling cash flow forecasts covering the next 12 months. The Company maintains an appropriate level of cash and bank facility funding in order to settle all financial obligations as they fall due and to meet planned activities.

The funding for the business has previously been provided through a loan from Seafood Trading Limited, an associated company. Interest was charged monthly at 4% above base rate.

The Company has signed a new term loan of £7.0m for 15 years. This was agreed and put into effect with Barclays Bank in August 2019.

Employment of disabled persons

We have clear standards to ensure fairness and flexibility in our approach - a documented dignity at work policy that details our expectations and standards in relation to inclusivity and fairness, our managers are supported to ensure that we consider all applications on merit, enabling our recruitment process to be fair and objective, with no requirement for any applicant to disclose any sensitive details during the application stage. In the event that we are advised of a disability post-job offer, reasonable adjustments are discussed and agreed upon to ensure individual potential is fulfilled.

We have not encountered a scenario where an employee of the company has become disabled during their employment with the company during the financial year, however, in such circumstances we would uphold our responsibility to ensure that any matters of physical or mental wellbeing were openly discussed with reasonable adjustments agreed to ensure that continued employment can be sustained, with any training provided as appropriate.

As an inclusive employer, we ensure that training and career opportunities are made available to every member of our team, with a dedicated approach to internal selection that ensures all applicants are invited to discuss their interest in an opportunity, with feedback provided post-interview.

Stein's Trading Limited

Directors' Report

Period from 31 December 2018 to 29 December 2019

Going concern

The Company has been severely impacted by the temporary closure of all sites as a result of government restrictions to curb the transmission of Covid-19. When restaurants, pubs and hotels were allowed to reopen fully on the 4th July 2020 revenues were c.£8m down year-on-year as a direct result of the closure.

The business took the opportunity to look at its structure for the long term, its position in certain markets and the viability of certain sites. In the short term the business minimised the impact on cashflow by negotiating payment terms with suppliers and landlords. In addition, the business took advantage of the Government's furlough scheme to protect the earnings of its employees, whilst also deferring payments of VAT and PAYE. A restructure of the business, with some associated redundancies, and agreed salary reductions resulted in 30 staff leaving the business and £750k of annualised wage savings. Business processes were simplified allowing us to deliver cost efficiency and benefit future performance. There were successful negotiations to surrender leases on unviable operational sites which reduced our estate and allowed us to scale back our support services. All of this was undertaken to reduce cost base and improve efficiency, whilst also making the business able to better withstand further disruption which may be caused by the ongoing pandemic.

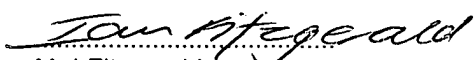
Digital marketing expertise was hired in and our website was updated making the customer journey easier with significant results. In addition, new initiatives for online retail drove significant sales with significant future potential.

The business worked closely with our Primary Authority, Cornwall Council, and our external safety consultants to develop Covid-19 risk assessments. All measures around social distancing, monitoring of staff health, use of personal protective equipment, barrier protection such as Perspex screens, information to staff and customers strictly followed government guidelines.

Disclosure of information to the auditors

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 21.12.20.. and signed on its behalf by:


Mr I Fitzgerald
Director

Stein's Trading Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

Stein's Trading Limited

Independent Auditor's Report to the Members of Stein's Trading Limited

Opinion

We have audited the financial statements of Stein's Trading Limited (the 'company') for the period from 31 December 2018 to 29 December 2019, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, 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 December 2019 and of its loss 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 Auditor's 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 UK, including the FRC'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 auditor's 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.

Stein's Trading Limited

Independent Auditor's Report to the Members of Stein's Trading Limited

Opinion on other matter 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page 7, 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.

Auditor's 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 auditor's 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 auditor's report.

Stein's Trading Limited

Independent Auditor's Report to the Members of Stein's Trading Limited

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 auditor's 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.

PKF Francis Clark

Michael Bentley ACA DChA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

Date: *22/12/20*

Stein's Trading Limited

Statement of Income and Retained Earnings

Period from 31 December 2018 to 29 December 2019

		31 December 2018 to 29 December 2019 £ 000	1 January 2018 to 30 December 2018 £ 000
	Note		
Turnover	3	12,646	12,392
Cost of sales		<u>(3,256)</u>	<u>(3,375)</u>
Gross profit		9,390	9,017
Administrative expenses		<u>(9,389)</u>	<u>(9,069)</u>
Operating profit/(loss)	4	<u>1</u>	<u>(52)</u>
Other interest receivable and similar income	8	3	-
Interest payable and similar charges	9	<u>(248)</u>	<u>(326)</u>
		<u>(245)</u>	<u>(326)</u>
Loss before tax		(244)	(378)
Taxation	10	<u>1</u>	<u>57</u>
Loss for the financial period		(243)	(321)
Retained earnings brought forward		<u>(825)</u>	<u>(504)</u>
Retained earnings carried forward		<u><u>(1,068)</u></u>	<u><u>(825)</u></u>

The notes on pages 14 to 24 form an integral part of these financial statements.

Stein's Trading Limited

Balance Sheet

29 December 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	11	6,226	6,847
Current assets			
Stocks	12	155	149
Debtors	13	263	594
Cash at bank and in hand	14	1,360	347
		<u>1,778</u>	<u>1,090</u>
Creditors: Amounts falling due within one year	15	<u>(2,494)</u>	<u>(8,716)</u>
Net current liabilities		<u>(716)</u>	<u>(7,626)</u>
Total assets less current liabilities		5,510	(779)
Creditors: Amounts falling due after more than one year	15	(6,533)	-
Provisions for liabilities	18	<u>(39)</u>	<u>(40)</u>
Net liabilities		<u>(1,062)</u>	<u>(819)</u>
Capital and reserves			
Called up share capital	21	1	1
Share premium reserve	20	5	5
Profit and loss account	20	<u>(1,068)</u>	<u>(825)</u>
Total equity		<u>(1,062)</u>	<u>(819)</u>

Approved and authorised by the Board on 21.12.20 and signed on its behalf by:



Mr I Fitzgerald
Director

Company Registration Number: 09190817

Stein's Trading Limited

Statement of Cash Flows

Period from 31 December 2018 to 29 December 2019

		31 December 2018 to 29 December 2019 £ 000	1 January 2018 to 30 December 2018 £ 000
	Note		
Cash flows from operating activities			
Loss for the period		(243)	(321)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	770	692
Finance income	8	(3)	-
Finance costs	9	248	326
Corporation tax	10	(1)	(57)
		<u>771</u>	<u>640</u>
Working capital adjustments			
Increase in stocks	12	(6)	(24)
Decrease/(increase) in debtors	13	331	(124)
Increase in creditors	15	508	41
Decrease in amounts owed to associates		<u>(7,197)</u>	<u>(46)</u>
Cash generated from operations		(5,593)	487
Corporation tax paid	10	-	(2)
Net cash flow from operating activities		<u>(5,593)</u>	<u>485</u>
Cash flows from investing activities			
Interest received		3	-
Acquisitions of tangible assets		<u>(149)</u>	<u>(156)</u>
Net cash flows from investing activities		<u>(146)</u>	<u>(156)</u>
Cash flows from financing activities			
Interest paid		(248)	(326)
Proceeds from bank borrowing draw downs		<u>7,000</u>	<u>-</u>
Net cash flows from financing activities		<u>6,752</u>	<u>(326)</u>
Net increase in cash and cash equivalents		1,013	3
Cash and cash equivalents at 31 December		<u>347</u>	<u>344</u>
Cash and cash equivalents at 29 December	14	<u><u>1,360</u></u>	<u><u>347</u></u>

The notes on pages 14 to 24 form an integral part of these financial statements.

Stein's Trading Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

The Seafood Restaurant
Riverside
Padstow
Cornwall
PL28 8BY
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

Going concern

The Company has been severely impacted by the temporary closure of all sites as a result of government restrictions to curb the transmission of Covid-19. When restaurants, pubs and hotels were allowed to reopen fully on the 4th July 2020 revenues were c.£8m down year-on-year as a direct result of the closure.

The business took the opportunity to look at its structure for the long term, its position in certain markets and the viability of certain sites. In the short term the business minimised the impact on cashflow by negotiating payment terms with suppliers and landlords. In addition, the business took advantage of the Government's furlough scheme to protect the earnings of its employees, whilst also deferring payments of VAT and PAYE. A restructure of the business, with some associated redundancies, and agreed salary reductions resulted in 30 staff leaving the business and £750k of annualised wage savings. Business processes were simplified allowing us to deliver cost efficiency and benefit future performance. There were successful negotiations to surrender leases on unviable operational sites which reduced our estate and allowed us to scale back our support services. All of this was undertaken to reduce cost base and improve efficiency, whilst also making the business able to better withstand further disruption which may be caused by the ongoing pandemic.

Stein's Trading Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

Digital marketing expertise was hired in and our website was updated making the customer journey easier with significant results. In addition, new initiatives for online retail drove significant sales with significant future potential.

The business worked closely with our Primary Authority, Cornwall Council, and our external safety consultants to develop Covid-19 risk assessments. All measures around social distancing, monitoring of staff health, use of personal protective equipment, barrier protection such as Perspex screens, information to staff and customers strictly followed government guidelines.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises food and beverage revenue at the point of sale.

Turnover derives from the company activities which are wholly undertaken within the UK.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class

Long-term leasehold property
Fixtures and fittings

Depreciation method and rate

Over the life of the lease
5% - 33% straight line

Stein's Trading Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligation

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

Critical accounting estimation uncertainty

Management evaluate estimates and judgements on an annual basis, and are based on historical experience and the other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates applied by management are as outlined below:

Depreciation and useful economic lives of tangible assets

Management have carefully considered the depreciation estimates applied on the tangible assets held by the group. This assessment is performed on an annual basis, and would be amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of each asset.

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Stein's Trading Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Revenue

The whole of the turnover is attributable to the principal activity of the Company being that of the operation of restaurants.

All turnover arose within the United Kingdom.

4 Operating profit

Arrived at after charging/(crediting)

	2019 £ 000	2018 £ 000
Depreciation expense	770	692
Operating lease expense - property	724	723
Operating lease expense - plant and machinery	<u>5</u>	<u>18</u>

Stein's Trading Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £ 000	2018 £ 000
Wages and salaries	4,823	4,642
Social security costs	340	323
Pension costs, defined contribution scheme	61	43
	<u>5,224</u>	<u>5,008</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	2019 No.	2018 No.
Restaurant	264	242
Administration	8	8
	<u>272</u>	<u>250</u>

6 Directors' remuneration

The directors' remuneration for the period was as follows:

	2019 £ 000	2018 £ 000
Remuneration	126	125
Company contributions to defined contribution pension schemes	1	11
	<u>127</u>	<u>136</u>

During the period the number of directors who were receiving benefits and share incentives was as follows:

	2019 No.	2018 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

Stein's Trading Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

7 Auditor's remuneration

	2019 £ 000	2018 £ 000
Audit of the financial statements	9	21
Other fees to auditors		
Taxation compliance services	4	4
All other non-audit services	3	3
	<u>7</u>	<u>7</u>

8 Other interest receivable and similar income

	2019 £ 000	2018 £ 000
Other finance income	3	-

9 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest expense on other finance liabilities	248	326

10 Taxation

Tax charged/(credited) in the profit and loss account

	31 December 2018 to 29 December 2019 £ 000	1 January 2018 to 30 December 2018 £ 000
Current taxation		
UK corporation tax adjustment to prior periods	-	(2)
Deferred taxation		
Arising from origination and reversal of timing differences	-	(25)
Arising from changes in tax rates and laws	-	2
Arising from adjustments in respect of prior periods	(1)	(32)
Total deferred taxation	(1)	(55)
Tax receipt in the income statement	(1)	(57)

Stein's Trading Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Loss before tax	(244)	(378)
Corporation tax at standard rate	(46)	(72)
Expenses not deductible for tax purposes	46	47
Changes in tax rate	-	2
Adjustment to current tax for prior periods	(1)	(34)
Total tax credit	(1)	(57)

Deferred tax

Deferred tax assets and liabilities

2019

	Liability £ 000
Accelerated capital allowances	282
Tax losses carried forward	(241)
Short term timing differences - trading	(2)
	39

2018

	Liability £ 000
Accelerated capital allowances	294
Tax losses carried forward	(255)
Short term timing differences - trading	1
	40

Stein's Trading Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

11 Tangible assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Total £ 000
Cost or valuation			
At 31 December 2018	1,971	6,740	8,711
Additions	-	149	149
At 29 December 2019	1,971	6,889	8,860
Depreciation			
At 31 December 2018	376	1,488	1,864
Charge for the period	136	634	770
At 29 December 2019	512	2,122	2,634
Carrying amount			
At 29 December 2019	1,459	4,767	6,226
At 30 December 2018	1,595	5,252	6,847

Included within the net book value of land and buildings above is £1,459,000 (2018 - £1,595,000) in respect of long leasehold land and buildings.

12 Stocks

	2019 £ 000	2018 £ 000
Raw materials and consumables	155	149

The cost of stocks recognised as an expense in the period amounted to £3,256,000 (2018 - £3,375,000).

13 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	18	22
Other debtors	34	12
Prepayments and accrued income	211	560
	263	594

Stein's Trading Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

14 Cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash on hand	5	-
Cash at bank	1,355	347
	<u>1,360</u>	<u>347</u>

15 Creditors

	Note	2019 £ 000	2018 £ 000
Due within one year			
Loans and borrowings	16	467	-
Payments on account		334	-
Trade creditors		551	558
Amounts owed to associated undertakings	23	242	7,439
Corporation tax		5	5
Social security and other taxes		398	383
Outstanding defined contribution pension costs		13	8
Other creditors		65	68
Accruals and deferred income		419	255
		<u>2,494</u>	<u>8,716</u>
Due after one year			
Loans and borrowings	16	<u>6,533</u>	<u>-</u>

16 Loans and borrowings

	2019 £ 000	2018 £ 000
Current loans and borrowings		
Bank borrowings	<u>467</u>	<u>-</u>
Non-current loans and borrowings		
Bank borrowings	<u>6,533</u>	<u>-</u>

Stein's Trading Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

Secured loans

In August 2019 the company signed a new term loan with Barclays bank of £7m for 15 years. The security pledged for the loan is a legal charge over the following freehold property owned by The Seafood Restaurant (Padstow) Limited, a related entity: The Seafood Restaurant, St. Petrocs, The Cafe, St. Edmunds & Prospect House (on the bank's standard form).

Interest on the £7m loan is charged on a floating rate basis above 2.3% per annum.

17 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2019 £ 000	2018 £ 000
Not later than one year	761	738
Later than one year and not later than five years	3,043	2,952
Later than five years	6,093	6,682
	<u>9,897</u>	<u>10,372</u>

18 Deferred tax and other provisions

	Deferred tax £ 000	Total £ 000
At 31 December 2018	40	40
Credited to profit or loss	<u>(1)</u>	<u>(1)</u>
At 29 December 2019	<u>39</u>	<u>39</u>

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £61,000 (2018 - £43,000).

Contributions totalling £13,000 (2018 - £8,000) were payable to the scheme at the end of the period and are included in creditors.

Stein's Trading Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

20 Reserves

Share premium represents the amount subscribed for share capital in excess of the nominal value.

Retained earnings represents the accumulated profits, losses and distributions of the Company.

21 Share capital

Allotted, called up and fully paid shares

	29 December 2019		30 December 2018	
	No. 000	£000	No. 000	£ 000
Ordinary of £0.01 each	120	1.20	120	1.20

20 Ultimate parent undertaking and controlling party

There is not considered to be an ultimate controlling party of this Company given no shareholder owns a majority interest.

23 Related party transactions

During the period the Company entered into transactions with Seafood Trading Limited, a Company related by way of ultimate shareholders. At the period end the Company owed Seafood Trading Limited £242,400 (2018: £7,439,000). Interest is charged to the Company on the balance at a rate of 4% above the base rate. During the period the Company paid Seafood Trading Limited interest of £247,846 (2018: £325,557).