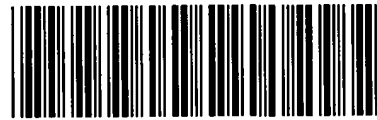


Stein's Trading Limited

**Annual Report and Financial Statements
Period from 30 December 2019 to 3 January 2021**

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 for the Period from 30 December 2019 to 3 January 2021

The directors present their strategic report for the period from 30 December 2019 to 3 January 2021.

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 13.

As with many others the company has been significantly impacted by the effects of the Covid-19 pandemic which required us to act quickly and with resolve.

The directors' response to the impact of Covid-19 included:

- Utilising all business interruption and government support schemes that were available to the business;
- Addressing cashflow pressures with deferred payment plans for suppliers and landlords; and
- Restructuring the company by exiting under-performing sites, postponing all non-essential spending, and reducing headcount in line with lower revenue expectations.

The company continues to seek opportunities to maximise profitability of the core business. In this context the 2021 financial year has seen the reopening of restaurants and demand for good food and 'staycations' has so far seen a rebound in the hospitality industry. The hospitality industry continues, however, to face challenges with pressure on recruitment, price inflation and supply chain issues.

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 our booking systems and Trust Pilot;
- 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 for the Period from 30 December 2019 to 3 January 2021

Principal risks and uncertainties

The key business risks and uncertainties facing the company are:

- Regulatory costs - increases in the living wage, business rates, auto enrolment pensions and the apprenticeship levy;
- The impact of Brexit - There is higher food inflation, it's harder to recruit staff from EU and companies are holding back on decisions until the Brexit position is resolved;
- Competition from other hospitality providers;
- People - being able to retain a strong executive team and recruit and retain local managers, chefs and employees with the right skills and experience. It has been harder to recruit hospitality staff, especially chefs;
- Supply chain - being able to obtain consistent fresh and quality produce for our restaurants without delays;
- Seasonality of the business - pressure on cash flows and staffing considerations;
- Cost pressures on food, beverages, wages and overheads; and
- Cyber/IT security.

Approved by the Board on 16 December 2021 and signed on its behalf by:



.....
Mr I Fitzgerald
Director

Stein's Trading Limited

Directors' Report for the Period from 30 December 2019 to 3 January 2021

The directors present their report and the financial statements for the period from 30 December 2019 to 3 January 2021.

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 (ceased 27 April 2020)

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 £255,000 (2019: £244,000).

No dividends were declared or paid during the period (2019: £nil).

Charitable donations

During the period, the Company made charitable donations of £nil (2019: £3,253).

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 249 (2019: 272).

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 for the Period from 30 December 2019 to 3 January 2021

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 partially been provided through a loan from Seafood Trading Limited, a related company, and partly through a bank loan from Barclays Bank on which interest is paid on a floating rate basis above 2.3% per annum.

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 for the Period from 30 December 2019 to 3 January 2021

Going concern

In preparing and approving these financial statements the directors have given due consideration to going concern risks, and in particular the impact of the Covid-19 pandemic. The pandemic has had a fairly significant impact on the operations of the business due to the closure of sites during the financial year, however the negative impacts arising have been managed through robust systems, and negotiations with key stakeholders. Whilst recognising that there is a degree of uncertainty the directors are satisfied that the going concern basis of preparation remains appropriate.

In reaching this conclusion the directors, having made all necessary enquiries, have considered the following matters:

- i) Forecasts have been prepared for the company which demonstrate the ability of the company to continue to manage its cash flows and meet its obligations as and when they fall due.
- ii) In addition, the company will continue to monitor the support schemes offered by the Government and access these when required to assist with reducing cash outflows.

After due consideration of these factors the directors are satisfied that the company will be able to operate within their available facilities and continue as a going concern for the foreseeable future – being a period no less than 12 months from the date of approval of these financial statements.

Disclosure of information to the auditors

Each director has taken 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 16 December 2021 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 30 December 2019 to 3 January 2021, 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 3 January 2021 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

In auditing the financial statements, we have concluded that the director's 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 original financial statements were 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.

Stein's Trading Limited

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

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.

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.

Stein's Trading Limited

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

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company at the planning stage of the audit. Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related company legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Secondly, the company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's licence to operate. In making this assessment we determined that the most significant elements of legislation which impact the restaurant and hotel operations of the group include food standards and licencing laws, employment laws and regulations (including CJRS compliance), and health and safety legislation.

Stein's Trading Limited

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none in the year.
- Considering the filings made at Companies House, and any omissions thereon of which there were none identified.
- Reviewing the most recent Food Hygiene Ratings awarded to the restaurants, and where there had been visits discussing with management their findings.
- Reviewing external fire risk assessment reports in addition to external health and safety compliance reviews and workplans.
- Undertaking transactional testing on CJRS claims made in the year.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business, of which there were none.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to be come aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

23 December 2021

Stein's Trading Limited

Statement of Income and Retained Earnings

Period from 30 December 2019 to 3 January 2021

		30 December 2019 to 3 January 2021 £ 000	31 December 2018 to 29 December 2019 £ 000
	Note		
Turnover	3	9,369	12,646
Cost of sales		<u>(2,547)</u>	<u>(3,256)</u>
Gross profit		6,822	9,390
Administrative expenses		(8,070)	(9,389)
Other operating income	4	<u>1,169</u>	<u>-</u>
Operating (loss)/profit	5	<u>(79)</u>	<u>1</u>
Other interest receivable and similar income	9	-	3
Interest payable and similar charges	10	<u>(176)</u>	<u>(248)</u>
		<u>(176)</u>	<u>(245)</u>
Loss before tax		(255)	(244)
Taxation	11	<u>(4)</u>	<u>1</u>
Loss for the financial period		(259)	(243)
Retained earnings brought forward		<u>(1,068)</u>	<u>(825)</u>
Retained earnings carried forward		<u><u>(1,327)</u></u>	<u><u>(1,068)</u></u>

The notes on pages 16 to 28 form an integral part of these financial statements.

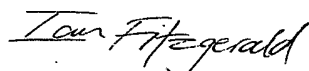
Stein's Trading Limited

Balance Sheet

3 January 2021

	Note	03 January 2021 £ 000	29 December 2019 £ 000
Fixed assets			
Tangible assets	12	5,433	6,226
Current assets			
Stocks	13	137	155
Debtors	14	246	263
Cash at bank and in hand		<u>2,745</u>	<u>1,360</u>
		3,128	1,778
Creditors: Amounts falling due within one year	16	<u>(3,334)</u>	<u>(2,494)</u>
Net current liabilities		<u>(206)</u>	<u>(716)</u>
Total assets less current liabilities		5,227	5,510
Creditors: Amounts falling due after more than one year	16	(6,500)	(6,533)
Provisions for liabilities	20	<u>(48)</u>	<u>(39)</u>
Net liabilities		<u>(1,321)</u>	<u>(1,062)</u>
Capital and reserves			
Called up share capital		1	1
Share premium reserve	22	5	5
Profit and loss account	22	<u>(1,327)</u>	<u>(1,068)</u>
Shareholders' deficit		<u>(1,321)</u>	<u>(1,062)</u>

Approved and authorised by the Board on 16 December 2021 and signed on its behalf by:



.....
Mr I Fitzgerald
Director

Company Registration Number: 09190817

Stein's Trading Limited

Statement of Cash Flows

Period from 30 December 2019 to 3 January 2021

	Note	30 December 2019 to 3 January 2021 £ 000	31 December 2018 to 29 December 2019 £ 000
Cash flows from operating activities			
Loss for the period		(259)	(243)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	759	770
Loss on disposal of tangible assets		216	-
Finance income	9	-	(3)
Finance costs	10	176	248
Corporation tax	11	4	(1)
		<u>896</u>	<u>771</u>
Working capital adjustments			
Decrease/(increase) in stocks	13	18	(6)
Decrease in debtors	14	17	331
(Decrease)/increase in creditors	16	(351)	508
Increase/(decrease) in amounts owed to associates		<u>1,163</u>	<u>(7,197)</u>
Net cash flow from operating activities		<u>1,743</u>	<u>(5,593)</u>
Cash flows from investing activities			
Interest received		-	3
Acquisitions of tangible assets		<u>(182)</u>	<u>(149)</u>
Net cash flows from investing activities		<u>(182)</u>	<u>(146)</u>
Cash flows from financing activities			
Interest paid		(176)	(248)
Proceeds from bank borrowing draw downs		<u>-</u>	<u>7,000</u>
Net cash flows from financing activities		<u>(176)</u>	<u>6,752</u>
Net increase in cash and cash equivalents		1,385	1,013
Cash and cash equivalents at 30 December		<u>1,360</u>	<u>347</u>
Cash and cash equivalents at 3 January	15	<u><u>2,745</u></u>	<u><u>1,360</u></u>

The notes on pages 16 to 28 form an integral part of these financial statements.

Stein's Trading Limited

Notes to the Financial Statements

Period from 30 December 2019 to 3 January 2021

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

These financial statements were authorised for issue by the Board on 16 December 2021.

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

In preparing and approving these financial statements the directors have given due consideration to going concern risks, and in particular the impact of the Covid-19 pandemic. The pandemic has had a fairly significant impact on the operations of the business due to the closure of sites during the financial year, however the negative impacts arising have been managed through robust systems, and negotiations with key stakeholders. Whilst recognising that there is a degree of uncertainty the directors are satisfied that the going concern basis of preparation remains appropriate.

In reaching this conclusion the directors, having made all necessary enquiries, have considered the following matters:

- i) Forecasts have been prepared for the company which demonstrate the ability of the company to continue to manage its cash flows and meet its obligations as and when they fall due.
- ii) In addition, the company will continue to monitor the support schemes offered by the Government and access these when required to assist with reducing cash outflows.

After due consideration of these factors the directors are satisfied that the company will be able to operate within their available facilities and continue as a going concern for the foreseeable future – being a period no less than 12 months from the date of approval of these financial statements.

Stein's Trading Limited

Notes to the Financial Statements

Period from 30 December 2019 to 3 January 2021

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.

Government grants

During the year the company received Coronavirus Job Retention Scheme ("CJRS") grant income from the Government and local authority business rate grants designed to mitigate the impact of Covid 19. The company has elected to account for such grants under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure.

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.

Stein's Trading Limited

Notes to the Financial Statements

Period from 30 December 2019 to 3 January 2021

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	Depreciation method and rate
Long-term leasehold property	Over the life of the lease
Fixtures and fittings	5% - 33% straight line

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.

Stein's Trading Limited

Notes to the Financial Statements

Period from 30 December 2019 to 3 January 2021

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.

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 Other operating income

The analysis of the company's other operating income for the period is as follows:

	03 January 2021 £ 000	29 December 2019 £ 000
Government grants	1,169	-

During the year the company received grant income of £1,119k (2019 - £nil) from the Government under the Coronavirus Job Retention Scheme. £14k (2019 - £nil) of this grant income was receivable at the balance sheet date, and is disclosed in other debtors.

The remaining grant income of £50k (2019 - £nil) relates to other business support grants from Local Authorities received during the year.

Stein's Trading Limited

Notes to the Financial Statements

Period from 30 December 2019 to 3 January 2021

5 Operating (loss)/profit

Arrived at after charging/(crediting)

	03 January 2021 £ 000	29 December 2019 £ 000
Depreciation expense	759	770
Operating lease expense - property	520	724
Operating lease expense - plant and machinery	9	5
Loss on disposal of property, plant and equipment	216	-

6 Staff costs

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

	03 January 2021 £ 000	29 December 2019 £ 000
Wages and salaries	4,244	4,823
Social security costs	317	340
Pension costs, defined contribution scheme	52	61
Redundancy costs	2	-

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

	03 January 2021 No.	29 December 2019 No.
Restaurant	242	264
Administration	7	8

Stein's Trading Limited

Notes to the Financial Statements

Period from 30 December 2019 to 3 January 2021

7 Directors' remuneration

The directors' remuneration for the period was as follows:

	03 January 2021 £ 000	29 December 2019 £ 000
Remuneration	153	126
Company contributions to defined contribution pension schemes	1	1
	<u>154</u>	<u>127</u>

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

	03 January 2021 No.	29 December 2019 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

8 Auditor's remuneration

	03 January 2021 £ 000	29 December 2019 £ 000
Audit of the financial statements	<u>9</u>	<u>9</u>
Other fees to auditors		
Taxation compliance services	4	4
All other non-audit services	<u>3</u>	<u>3</u>
	<u>7</u>	<u>7</u>

9 Other interest receivable and similar income

	03 January 2021 £ 000	29 December 2019 £ 000
Other finance income	<u>-</u>	<u>3</u>

Stein's Trading Limited

Notes to the Financial Statements

Period from 30 December 2019 to 3 January 2021

10 Interest payable and similar expenses

	03 January 2021 £ 000	29 December 2019 £ 000
Interest on bank overdrafts and borrowings	167	-
Interest expense on other finance liabilities	9	248
	<u>176</u>	<u>248</u>

11 Taxation

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

	30 December 2019 to 3 January 2021 £ 000	31 December 2018 to 29 December 2019 £ 000
Current taxation		
UK corporation tax adjustment to prior periods	(5)	-
Deferred taxation		
Arising from origination and reversal of timing differences	9	-
Arising from adjustments in respect of prior periods	-	(1)
Total deferred taxation	<u>9</u>	<u>(1)</u>
Tax expense/(receipt) in the income statement	<u>4</u>	<u>(1)</u>

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK 2021 - 19% (2019 -19%).

The differences are reconciled below:

	03 January 2021 £ 000	29 December 2019 £ 000
Loss before tax	<u>(255)</u>	<u>(244)</u>
Corporation tax at standard rate	(48)	(46)
Effect of expense not deductible in determining taxable profit (tax loss)	47	46
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	5	(1)
Total tax charge/(credit)	<u>4</u>	<u>(1)</u>

Stein's Trading Limited

Notes to the Financial Statements

Period from 30 December 2019 to 3 January 2021

Deferred tax

Deferred tax assets and liabilities

03 January 2021	Liability £ 000
Accelerated capital allowances	271
Tax losses carried forward	(221)
Short term timing differences - trading	(2)
	<u>48</u>
2019	Liability £ 000
Accelerated capital allowances	282
Tax losses carried forward	(241)
Short term timing differences - trading	(2)
	<u>39</u>

An increase in the long-term UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021, which is after the year-end. Deferred tax balances will be remeasured next year to reflect this higher long-term rate, with differences recognised in next year's tax charge.

Stein's Trading Limited

Notes to the Financial Statements

Period from 30 December 2019 to 3 January 2021

12 Tangible assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Total £ 000
Cost or valuation			
At 30 December 2019	1,971	6,889	8,860
Additions	-	182	182
Disposals	(40)	(399)	(439)
At 3 January 2021	1,931	6,672	8,603
Depreciation			
At 30 December 2019	512	2,122	2,634
Charge for the period	136	623	759
Eliminated on disposal	(12)	(211)	(223)
At 3 January 2021	636	2,534	3,170
Carrying amount			
At 3 January 2021	1,295	4,138	5,433
At 29 December 2019	1,459	4,767	6,226

Included within the net book value of land and buildings above is £1,295,000 (2019 - £1,459,000) in respect of long leasehold land and buildings.

13 Stocks

	03 January 2021 £ 000	29 December 2019 £ 000
Raw materials and consumables	137	155

Stein's Trading Limited

Notes to the Financial Statements

Period from 30 December 2019 to 3 January 2021

14 Debtors

	03 January 2021 £ 000	29 December 2019 £ 000
Trade debtors	54	18
Other debtors	17	34
Prepayments and accrued income	175	211
	<u>246</u>	<u>263</u>

15 Cash and cash equivalents

	03 January 2021 £ 000	29 December 2019 £ 000
Cash on hand	-	5
Cash at bank	2,745	1,355
	<u>2,745</u>	<u>1,360</u>

16 Creditors

	Note	03 January 2021 £ 000	29 December 2019 £ 000
Due within one year			
Loans and borrowings	17	500	467
Payments on account		413	334
Trade creditors		427	551
Amounts owed to associated undertakings	25	1,405	242
Corporation tax		-	5
Social security and other taxes		111	398
Outstanding defined contribution pension costs		26	13
Other creditors		115	65
Accruals and deferred income		337	419
		<u>3,334</u>	<u>2,494</u>
Due after one year			
Loans and borrowings	17	<u>6,500</u>	<u>6,533</u>

Stein's Trading Limited

Notes to the Financial Statements

Period from 30 December 2019 to 3 January 2021

17 Loans and borrowings

	03 January 2021 £ 000	29 December 2019 £ 000
Current loans and borrowings		
Bank borrowings	500	467

	03 January 2021 £ 000	29 December 2019 £ 000
Non-current loans and borrowings		
Bank borrowings	6,500	6,533

Secured loans

The loans and borrowings are secured under the freehold properties; The Seafood Restaurant, St. Petrocs, The Cafe, St. Edmunds and Prospect House. These freehold properties are owned by a related company, The Seafood Restaurant (Padstow) Limited.

Interest is charged on the £7m loan facility on a floating rate basis, which means the margin cannot fall below 2.3% per annum.

18 Reconciliation of net debt

	At 30 December 2019 £'000	Cash flow £'000	Other non cash changes £'000	At 03 January 2021 £'000
Cash on hand	5	(5)	-	-
Cash at bank	1,355	1,390	-	2,745
Cash and cash equivalents	1,360	1,385	-	2,745
Bank loans less than one year	(467)	-	(33)	(500)
Bank loans more than one year	(6,533)	-	33	(6,500)
Net debt	(5,640)	1,385	-	(4,255)

Stein's Trading Limited

Notes to the Financial Statements

Period from 30 December 2019 to 3 January 2021

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	03 January 2021 £ 000	29 December 2019 £ 000
Not later than one year	716	761
Later than one year and not later than five years	2,864	3,043
Later than five years	4,934	6,093
	<u>8,514</u>	<u>9,897</u>

20 Deferred tax and other provisions

	Deferred tax £ 000	Total £ 000
At 30 December 2019	39	39
Credited to profit or loss	9	9
At 3 January 2021	<u>48</u>	<u>48</u>

21 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 £52,000 (2019 - £61,000).

Contributions totalling £26,000 (2019 - £13,000) were payable to the scheme at the end of the period and are included in creditors.

22 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.

Stein's Trading Limited

Notes to the Financial Statements

Period from 30 December 2019 to 3 January 2021

23 Share capital

Allotted, called up and fully paid shares

	3 January 2021		29 December 2019	
	No. 000	£000	No. 000	£ 000
Ordinary of £0.01 each	120	1.20	120	1.20

24 Post balance sheet events

On 15 April 2021 the company received a total of £731,000 in settlement of a dispute. Since there was no expectation the funds would be received as at 3 January 2021, none of the above amount has been recognised on the balance sheet in these financial statements.

25 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 £1,405,000 (2019: £242,000). 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 £9,000 (2019: £248,000).

The loans and borrowings are secured under the freehold properties; The Seafood Restaurant, St. Petrocs, The Cafe, St. Edmunds and Prospect House. These freehold properties are owned by a related company, The Seafood Restaurant (Padstow) Limited.

26 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.