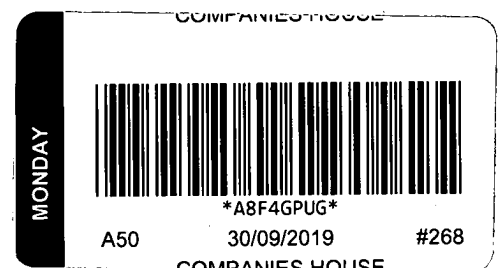


Registered number: 09760733

NEWINCCO 1389 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



NEWINCCO 1389 LIMITED

COMPANY INFORMATION

Directors	S Bathgate R Power
Registered number	09760733
Registered office	42-44 Great Windmill Street London W1D 7NB

NEWINGCO 1389 LIMITED

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NEWINCCO 1389 LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Introduction

Newincco 1389 Limited was incorporated on 3 September 2015. The sole purpose of the company is to oversee the running of the subsidiary companies.

Business review

Sophie's group as a whole endured a difficult year in 2018 causing losses to occur in the first half. These were due to two key issues:

1. The poor opening of Soho site in December 2017
2. The ongoing sales performance of Fulham Road

The directors of the business acknowledge that the first 6 months results in both businesses were significantly below expectations largely due to the hangover from a poor opening in Soho compounded by some like for like decline in Fulham Road. This meant that at the half year operational costs were running too high and sales were too low to support the fixed costs.

A turnaround strategy was implemented in June with the support of a consultant that focused on reducing costs on all lines of the P&L and introduced new menu offers, pricing structures, and look and feel more fitting for both locations.

Having implemented a new management structure in Fulham Road, the directors are confident in achieving budgeted numbers in Fulham Road for 2019 and have seen profitability improvement significantly. Both directors believe Fulham Road is in good shape for the long term as a going concern.

The team focus continues in Soho to develop tight cost control and building sales through great service delivery and ongoing product and team development.

Principal risks and uncertainties

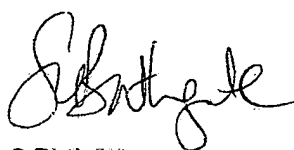
As with many businesses, the uncertainty surrounding brexit represents significant risk to the business. However, the group does not import significant amounts of product from other parts of the world for food and beverage sales and therefore the directors do not assess the impact to sterling exchange rates as a significant risk to the business in the long term.

Changing consumer attitudes to eating meat and its effect on the environment is assessed to potentially have an impact on sales however meat options within the restaurant continue to be popular.

There have been no events since the balance sheet date which could materially affect the position of the company, other than the conditions noted in note 2.3.

The directors do not recommend the payment of a dividend for the year.

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



S Bathgate
Director

Date: 30 September 2019



R Power
Director

NEWINCCO 1389 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £1,691,132 (2017 - loss £2,339,835).

Directors

The directors who served during the year were:

S Bathgate
R Power

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

NEWINCCO 1389 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Auditors

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

This report was approved by the board on 30 September 2019 and signed on its behalf.



S Bathgate
Director

NEWINCCO 1389 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NEWINCCO 1389 LIMITED

Opinion

We have audited the financial statements of Newincco 1389 Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2018, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2018 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the group made a loss for the year of £1,691,132 and has net current liabilities of £7,139,054. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

NEWINCCO 1389 LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NEWINCCO 1389 LIMITED
(CONTINUED)**

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

NEWINCCO 1389 LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NEWINCCO 1389 LIMITED
(CONTINUED)**

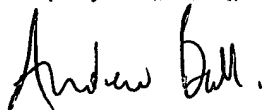
Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Ball (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

30 September 2019

NEWINCCO 1389 LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
Turnover	5,500,667	2,482,381
Cost of sales	(2,818,362)	(1,268,168)
Gross profit	2,682,305	1,214,213
Administrative expenses	(4,282,510)	(3,586,621)
Operating loss	(1,600,205)	(2,372,408)
Interest receivable and similar income	3	35,952
Interest payable and expenses	(90,930)	(23,344)
Loss before tax	(1,691,132)	(2,359,800)
Tax on loss	-	19,965
Loss for the financial year	(1,691,132)	(2,339,835)
Other comprehensive income for the year		
Total comprehensive income for the year	(1,691,132)	(2,339,835)
Profit for the year attributable to:		
Owners of the parent company	1,691,132	2,339,835

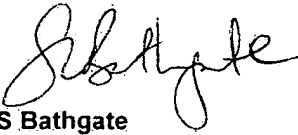
The notes on pages 16 to 29 form part of these financial statements.


NEWINCCO 1389 LIMITED
REGISTERED NUMBER: 09760733

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets		7,949	4,931
Tangible assets		5,337,612	6,193,651
		<u>5,345,561</u>	<u>6,198,582</u>
Current assets			
Stocks		71,520	76,623
Debtors: amounts falling due within one year	15	623,679	1,234,939
Cash at bank and in hand		669,392	722,842
		<u>1,364,591</u>	<u>2,034,404</u>
Creditors: Amounts Falling Due Within One Year	17	<u>(8,503,645)</u>	<u>(8,025,824)</u>
Net current liabilities		<u>(7,139,054)</u>	<u>(5,991,420)</u>
Total assets less current liabilities		<u>(1,793,493)</u>	<u>207,162</u>
Creditors: Amounts Falling Due After More Than One Year	18	(1,619,048)	(1,928,571)
Net liabilities		<u><u>(3,412,541)</u></u>	<u><u>(1,721,409)</u></u>
Capital and reserves			
Called up share capital		1,520,002	1,520,002
Merger reserve		(64,564)	(64,564)
Profit And Loss Account		(4,867,979)	(3,176,847)
		<u><u>(3,412,541)</u></u>	<u><u>(1,721,409)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2019.


S Bathgate
 Director


R Power
 Director

The notes on pages 16 to 29 form part of these financial statements.

NEWINCCO 1389 LIMITED
REGISTERED NUMBER: 09760733

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	13	990,002	990,002
		<u>990,002</u>	<u>990,002</u>
Current assets			
Debtors due within 1 year	2	2	2
		<u>2</u>	<u>2</u>
Net current assets		(2)	(2)
Creditors: Amounts Falling Due Within One Year		(1,400,000)	(1,400,000)
Net liabilities		<u>(409,996)</u>	<u>(409,996)</u>
Capital and reserves			
Called up share capital	21	1,520,002	1,520,002
Profit and loss account brought forward	(1,929,998)	(1,041,968)	
Profit/(loss) for the year	-	(888,030)	
Profit and loss account carried forward		(1,929,998)	(1,929,998)
		<u>(409,996)</u>	<u>(409,996)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2019.

S Bathgate
Director



R Power
Director



The notes on pages 16 to 29 form part of these financial statements.

NEWINCCO 1389 LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 January 2018	1,520,002	(64,564)	(3,176,847)	(1,721,409)	(1,721,409)
Comprehensive income for the year					
Loss for the year	-	-	(1,691,132)	(1,691,132)	(1,691,132)
At 31 December 2018	1,520,002	(64,564)	(4,867,979)	(3,412,541)	(3,412,541)

The notes on pages 16 to 29 form part of these financial statements.

NEWINCCO 1389 LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2016	1	1,455,437	(837,012)	618,426
Comprehensive income for the period				
Loss for the period	-	-	(2,339,835)	(2,339,835)
Total comprehensive income for the period	-	-	(2,339,835)	(2,339,835)
Shares issued during the period	11,520,001	-	-	11,520,001
Shares cancelled during the period	(10,000,000)	-	-	(10,000,000)
Movement in the year	-	(1,520,001)	-	(1,520,001)
Total transactions with owners	1,520,001	(1,520,001)	-	-
At 31 December 2017	1,520,002	(64,564)	(3,176,847)	(1,721,409)

The notes on pages 16 to 29 form part of these financial statements.

NEWINCCO 1389 LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	1,520,002	(1,929,988)	(409,996)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
At 31 December 2018	1,520,002	(1,929,998)	(409,996)

The notes on pages 16 to 29 form part of these financial statements.

NEWINCCO 1389 LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2016	1	1,520,001	(1,041,968)	478,034
Comprehensive income for the period				
Loss for the period	-	-	(888,030)	(888,030)
Other comprehensive income for the period				
	-	-	-	-
Total comprehensive income for the period	-	-	(888,030)	(888,030)
Shares issued during the period	11,520,001	-	-	11,520,001
Shares cancelled during the period	(10,000,000)	-	-	(10,000,000)
Movement in the year	-	(1,520,001)	-	(1,520,001)
Total transactions with owners	1,520,001	(1,520,001)	-	-
At 31 December 2017	1,520,002	-	(1,929,998)	(409,996)

The notes on pages 16 to 29 form part of these financial statements.

NEWINCCO 1389 LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
Cash flows from operating activities		
Loss for the financial year	(1,691,132)	(2,339,835)
Adjustments for:		
Amortisation of intangible assets	1,432	-
Depreciation of tangible assets	978,620	296,012
Loss on disposal of tangible assets	-	560,431
Interest paid	90,930	90,930
Interest received	(3)	(3)
Decrease in stocks	5,102	3,321
Decrease/(increase) in debtors	611,255	(806,746)
Increase in creditors	263,315	7,054,802
Net cash generated from operating activities	259,519	4,858,912
Cash flows from investing activities		
Purchase of intangible fixed assets	(4,450)	(4,931)
Purchase of tangible fixed assets	(122,580)	(6,019,178)
Interest received	3	3
Net cash from investing activities	(127,027)	(6,024,106)
Cash flows from financing activities		
Repayment of loans	(95,012)	1,680,000
Repayment of/new finance leases	-	(74,707)
Interest paid	(90,930)	(90,930)
Net cash used in financing activities	(185,942)	1,514,363
Net (decrease)/increase in cash and cash equivalents	(53,450)	349,169

NEWINCCO 1389 LIMITED

(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Cash and cash equivalents at beginning of year	722,842	373,673
Cash and cash equivalents at the end of year	669,392	722,842
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	669,392	722,842
	669,392	722,842

The notes on pages 16 to 29 form part of these financial statements.

NEWINCCO 1389 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Newincco 1389 Limited is a private limited company limited by shares incorporated in England. The Registered Office is 42-44 Great Windmill Street, London, W1D 7NB. The entity operates in the restaurant sector.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2015.

2.3 Going concern

In the year ended 31 December 2018, the group made a loss of £1,691,132 and as at 31 December the Company had net current liabilities of £7,139,054.

The Directors are in discussion with the bank to restructure the loan to prevent breaches of covenant and as part of this process they have reviewed its cash flow position for the period to 31 December 2020. As a result of this review, the Directors believe that a restructure of the bank will be possible and that the company will be able to continue to meet its liabilities as and when they fall due.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.6 Research and development

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

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

2.7 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

2.9 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

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

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

2.11 Taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

- The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.12 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.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Leasehold property	- Over the life of the lease
Plant and machinery	- 5 years
Fixtures and fittings	- 5 years
Crockery, cutlery and glasses	- 3 years with 100% residual value

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 the Consolidated Statement of Comprehensive Income.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 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.

NEWINCCO 1389 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.17 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.18 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.

2.19 Financial instruments

The Group 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 non-puttable ordinary shares.

3. Turnover

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

	2018 £	2017 £
Food and beverage	5,500,667	2,482,381
	<u>5,500,667</u>	<u>2,482,381</u>
	2018 £	2017 £
United Kingdom	5,500,667	2,482,381
	<u>5,500,667</u>	<u>2,482,381</u>

All turnover arose within the United Kingdom.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Research & development charged as an expense	3,677	20,018
Other operating lease rentals	805,000	785,866
	<u>808,677</u>	<u>805,884</u>

5. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	40,700	31,220
	<u>40,700</u>	<u>31,220</u>

6. Employees

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Staff salaries and PHI	792,610	596,519	-	-
Staff national insurance	13,269	27,043	-	-
Cost of defined contribution scheme	10,517	4,140	-	-
	<u>816,396</u>	<u>627,702</u>	<u>-</u>	<u>-</u>

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

	2018 No.	2017 No.
Employees	97	82
	<u>97</u>	<u>82</u>

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL)

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Directors' remuneration

During the year retirement benefits were accruing to no directors (2017 - NIL) in respect of defined contribution pension schemes.

8. Interest receivable

	2018 £	2017 £
Other interest receivable	3	35,952
	<u>3</u>	<u>35,952</u>

9. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	90,930	17,147
Finance leases and hire purchase contracts	-	6,197
	<u>90,930</u>	<u>23,344</u>

NEWINCCO 1389 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	-	(7,801)
	-	(7,801)
Total current tax	-	(7,801)
Deferred tax		
Origination and reversal of timing differences	-	(12,164)
Total deferred tax	-	(12,164)
Taxation on profit/(loss) on ordinary activities	-	(19,965)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 19%) as set out below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	(1,691,132)	2,359,800
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	(321,315)	(459,885)
Effects of:		
Fixed asset timing differences	113,110	8,611
Expenses not deductible for tax purposes	398	1,837,167
Other permanent differences	5	350
Income not taxable	-	(1,668,249)
Additional deduction for land remediation expenditure	-	(348)
Deferred tax not recognised	207,802	262,389
Total tax charge for the year/period	-	(19,965)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

10. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Intangible assets

Group and Company

	Computer software £
Cost	
At 1 January 2018	5,000
Additions	4,450
At 31 December 2018	<u>9,450</u>
Amortisation	
At 1 January 2018	69
Charge for the year	1,432
At 31 December 2018	<u>1,501</u>
Net book value	
At 31 December 2018	<u><u>7,949</u></u>
At 31 December 2017	<u><u>4,931</u></u>

NEWINCCO 1389 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. Tangible fixed assets

Group

	Long-term leasehold property £	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Other fixed assets £	Total £
Cost or valuation							
At 1 January 2018	682,850	3,977,900	490,194	2,690,717	58,149	35,890	7,935,700
Additions	-	38,961	25,222	54,029	3,295	1,075	122,582
At 31 December 2018	682,850	4,016,861	515,416	2,744,746	61,444	36,965	8,058,282
Depreciation							
At 1 January 2018	529,543	47,356	6,946	1,157,396	808	-	1,742,049
Charge for the year on owned assets	47,180	570,174	72,509	278,672	10,086	-	978,621
At 31 December 2018	576,723	617,530	79,455	1,436,068	10,894	-	2,720,670
Net book value							
At 31 December 2018	106,127	3,399,331	435,961	1,308,678	50,550	36,965	5,337,612
At 31 December 2017	153,307	3,930,544	483,248	1,533,321	57,341	35,890	6,193,651

NEWINCCO 1389 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Ruso Limited	Ordinary	100 %	Restaurant
Sophie's Soho Limited	Ordinary	100 %	Restaurant

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	990,002
At 31 December 2018	<u>990,002</u>
Net book value	
At 31 December 2018	<u>990,002</u>
At 31 December 2017	<u><u>990,002</u></u>

14. Stocks

	Group 2018 £	Group 2017 £
Finished goods and goods for resale	<u>71,520</u>	<u>76,623</u>
	<u><u>71,520</u></u>	<u><u>76,623</u></u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

NEWINCCO 1389 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. Debtors

	2018 £	2017 £
Trade debtors	10,533	1,521
Other debtors	535,714	884,259
Prepayments and accrued income	77,432	349,159
	<u>623,679</u>	<u>1,234,939</u>

16. Cash and cash equivalents

	Group 2018 £	Group 2017 £
Cash at bank and in hand	669,392	722,842
	<u>669,392</u>	<u>722,842</u>

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	285,935	71,429
Trade creditors	394,623	1,330,923
Other taxation and social security	261,287	97,999
Shareholders loans	7,202,662	6,091,260
Accruals and deferred income	359,138	434,213
	<u>8,503,645</u>	<u>8,025,824</u>

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

	Group 2018 £	Group 2017 £
Bank loans	1,619,048	1,928,571
	<u>1,619,048</u>	<u>1,928,571</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Loans

	Group 2018 £	Group 2017 £
Amounts falling due within one year		
Bank loans	285,935	71,429
	<u>285,935</u>	<u>71,429</u>
Amounts falling due 1-2 years		
Bank loans	285,714	285,714
	<u>285,714</u>	<u>285,714</u>
Amounts falling due 2-5 years		
Bank loans	857,143	1,142,857
	<u>857,143</u>	<u>1,142,857</u>
Amounts falling due after more than 5 years		
Bank loans	476,191	500,000
	<u>476,191</u>	<u>500,000</u>
	<u>1,904,983</u>	<u>2,000,000</u>

NEWINCCO 1389 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

20. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets measured at fair value through profit or loss	669,392	722,842	-	-
Financial assets that are debt instruments measured at amortised cost	538,448	528,748	2	2
	<u>1,207,840</u>	<u>1,251,590</u>	<u>2</u>	<u>2</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(2,798,841)	(3,924,009)	(1,400,000)	(1,400,000)

21. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1,520,002 (2017 - 1,520,002) Ordinary shares of £1.00 each	<u>1,520,002</u>	<u>1,520,002</u>

22. Pension commitments

The group 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 represents contributions payable by the company to the fund and amounted to £10,516 (2017: £4,140). Contributions totalling £2,753 (2017: £154) were payable to the fund at the reporting date.

23. Commitments under operating leases

At 31 December 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	670,000	670,000
Later than 1 year and not later than 5 years	2,380,000	2,530,000
Later than 5 years	260,000	780,000
	<u>3,310,000</u>	<u>3,980,000</u>