

---

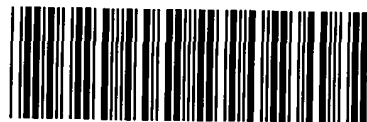
STICKS 'N' SUSHI UK LIMITED

---

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

THURSDAY



\*A5IZPRP6\*

A12

03/11/2016

#312

COMPANIES HOUSE

# STICKS 'N' SUSHI UK LIMITED

## COMPANY INFORMATION

<b>Directors</b>	T Andersen K R Hansen A Karlsson E P Holm
<b>Registered number</b>	07307090
<b>Registered office</b>	58 Wimbledon Hill Road London SW19 7PA
<b>Independent auditors</b>	Menzies LLP Chartered Accountants & Statutory Auditor Ashcombe House 5 The Crescent Leatherhead Surrey KT22 8DY
<b>Bankers</b>	Danske Bank 75 King William Street London EC4N 7DT

---

# STICKS 'N' SUSHI UK LIMITED

---

## CONTENTS

---

	Page
<b>Strategic Report</b>	1 - 2
<b>Directors' Report</b>	3 - 4
<b>Independent Auditors' Report</b>	5 - 6
<b>Statement of Comprehensive Income</b>	7
<b>Balance Sheet</b>	8
<b>Statement of Changes in Equity</b>	9
<b>Notes to the Financial Statements</b>	10 - 23
The following pages do not form part of the statutory financial statements:	
<b>Detailed Profit and Loss Account and Summaries</b>	24 - 27

# STICKS 'N' SUSHI UK LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2016

### Business review

The company's principal activity is the operation of a chain of restaurants.

Sticks 'n' Sushi produces and serves healthy quality food of the "affordable luxury" category based on a unique combination of traditional sushi and yakitori sticks rooted in Japanese as well as Danish gastronomical traditions, sustainability, excellent design and most important of all "The Good Hostmanship".

Sticks 'n' Sushi UK Ltd belongs to the Sticks 'n' Sushi Group, which was founded in 1994 in Copenhagen and today operates 17 restaurants with a consolidated turnover of approximately £52 million on a full year basis.

Our UK business trade is strong, especially in our first two London restaurants, located in Wimbledon (opened March 2012) and Covent Garden (opened November 2013).

Our further two restaurants in Greenwich (opened January 2015) and Canary Wharf (opened May 2015) have seen a solid growth and have been trading satisfactory to our forecasted sales.

Our latest opening, and the first restaurant outside of the metropolitan London area, opened in May 2016 in Cambridge. The business level and positive feedback from our guests has been to our satisfaction.

The growing number of guests together with the increasing volume of takeaway and catering sales is encouraging for the future years of growth in the United Kingdom.

Sticks 'n' Sushi UK Ltd achieved a turnover of net £12.8 million in the financial year 2015/16 compared to £7.8 million in 2014/15. The company realised an EBITDA of £1.0 million against £0.4 million the year before. The operating result includes £195K in one-off cost related to the opening of the Cambridge restaurant. The sales and results were significantly better than budgeted, in view of the restaurant opening and growth plans.

### Future developments

Sticks 'n' Sushi UK Ltd have secured a new location in Nova, Victoria, London, scheduled to open in November 2016 as well as a new location in Oxford scheduled to open in October 2017.

Further locations are being negotiated with the planned opening of one restaurant within the next financial year.

### Principal risks and uncertainties

Sticks 'n' Sushi UK Ltd is of course subject to the usual risks of the restaurant industry such as changing economic trends, consumer preference changes and demand, food security and raw material supplies etc. The desire for more organic products and improved sustainability in combination with resource shortages and increased raw material costs will in itself provide pressure on the profitability and the biggest challenge of Sticks 'n' Sushi UK Ltd in the years ahead will be the task of finding new and improved alternatives on the raw material side.

### Financial key performance indicators

Turnover per trading restaurants

Like for like sales growth

Balancing of controllable costs to sales and in particular product cost and staff cost

EBITDA per trading restaurant

### Other key performance indicators

Ongoing updates and monitoring on social media (Twitter, Facebook, reviews etc.)

Guest satisfactory surveys ("Mystery Dining" and "Net Promoter Score Survey")

Staff satisfactory surveys ("Happy People")

Food safety and Health and Safety 3rd party audits by Food Alert

EHO visits by Local Council

---

# STICKS 'N' SUSHI UK LIMITED

---

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

---

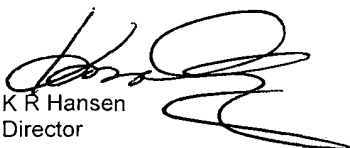
### The group strategy

An important part of the Group's strategy is to expand internationally with restaurants openings in European city metropolises. In the first phase of the strategy plan the focus has been on building a business platform in England with planned opening of 10-15 restaurants in London and the south east of England over a 5 year period. The next step will be the opening of a number of restaurants in Berlin, Germany.

### Business model

The business model is of healthy trade in all restaurant units, managing controllable costs in line with turnover. Ability to invest the free cash flow in future restaurants without any significant debt with banks, shareholders or other credit facilities.

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

  
K R Hansen  
Director

Date: 13. 10. 2016

# STICKS 'N' SUSHI UK LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

### Results and dividends

The profit for the year, after taxation, amounted to £46,335 (2015 - loss £262,271).

The directors have not recommended a dividend.

### Directors

The directors who served during the year were:

T Andersen  
K R Hansen  
A Karlsson  
E P Holm

### Going concern

At the year end, the company had net current liabilities of £932,305 (2015: £1,021,954). The directors are confident of the continued financial support from the parent company, and therefore the accounts have been prepared on a going concern basis.

### Matters covered in the strategic report

The company has chosen, in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

### Directors' responsibilities statement

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

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

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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.

---

# STICKS 'N' SUSHI UK LIMITED

---

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

---

### Disclosure of information to auditors

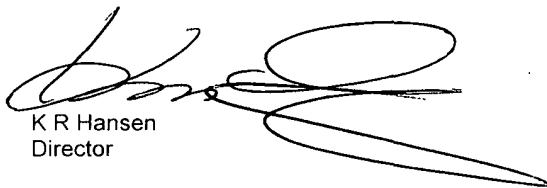
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

### Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors.

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



K R Hansen  
Director

Date: 13.10.2016

58 Wimbledon Hill Road  
London  
SW19 7PA

# STICKS 'N' SUSHI UK LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STICKS 'N' SUSHI UK LIMITED

We have audited the financial statements of Sticks 'N' Sushi UK Limited for the year ended 30 June 2016, set out on pages 7 to 23. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of its profit or 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those accounts. 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.

# STICKS 'N' SUSHI UK LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STICKS 'N' SUSHI UK LIMITED (CONTINUED)

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

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.

*Menzies LLP*

Caroline Milton FCA (Senior Statutory Auditor)

for and on behalf of  
**Menzies LLP**

Chartered Accountants  
Statutory Auditor

Ashcombe House  
5 The Crescent  
Leatherhead  
Surrey  
KT22 8DY

Date: 13 Oct 2016

# STICKS 'N' SUSHI UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 £	2015 £
Turnover	5	12,877,077	7,820,562
Cost of sales		(3,502,783)	(2,251,500)
<b>Gross profit</b>		<b>9,374,294</b>	<b>5,569,062</b>
Administrative expenses		(9,181,433)	(5,696,974)
<b>Operating profit/(loss)</b>	6	<b>192,861</b>	<b>(127,912)</b>
Interest payable and expenses	9	(187,064)	(134,359)
<b>Profit/(loss) before tax</b>		<b>5,797</b>	<b>(262,271)</b>
Tax on profit/(loss)	10	40,538	-
<b>Profit/(loss) for the year</b>		<b><u>46,335</u></b>	<b><u>(262,271)</u></b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b><u>46,335</u></b>	<b><u>(262,271)</u></b>

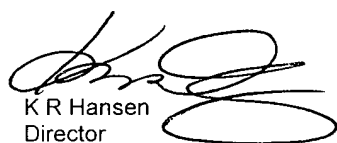
The notes on pages 10 to 23 form part of these financial statements.

# STICKS 'N' SUSHI UK LIMITED

## BALANCE SHEET AS AT 30 JUNE 2016

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	11		5,974,389		5,244,274
			<u>5,974,389</u>		<u>5,244,274</u>
<b>Current assets</b>					
Stocks,	12	134,750		79,149	
Debtors: amounts falling due within one year	13	988,067		351,577	
Cash at bank and in hand	14	101,007		271,772	
		<u>1,223,824</u>		<u>702,498</u>	
Creditors: amounts falling due within one year	15	(2,142,984)		(1,735,840)	
<b>Net current liabilities</b>			<u>(919,160)</u>		<u>(1,033,342)</u>
<b>Total assets less current liabilities</b>			<u>5,055,229</u>		<u>4,210,932</u>
Creditors: amounts falling due after more than one year	16		(4,495,508)		(3,742,546)
<b>Provisions for liabilities</b>					
Other provisions	18	(245,000)		(200,000)	
			<u>(245,000)</u>		<u>(200,000)</u>
<b>Net assets</b>			<u><u>314,721</u></u>		<u><u>268,386</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		2,009,500		2,009,500
Profit and loss account	20		(1,694,779)		(1,741,114)
			<u><u>314,721</u></u>		<u><u>268,386</u></u>

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

  
K R Hansen  
Director

Date: 13.10.2016

The notes on pages 10 to 23 form part of these financial statements.

# STICKS 'N' SUSHI UK LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	2,009,500	(1,741,114)	268,386
<b>Comprehensive income for the year</b>			
Profit for the year	-	46,335	46,335
<b>Total comprehensive income for the year</b>	-	46,335	46,335
<b>At 30 June 2016</b>	<b>2,009,500</b>	<b>(1,694,779)</b>	<b>314,721</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2014	2,009,500	(1,478,843)	530,657
<b>Comprehensive income for the year</b>			
Loss for the year	-	(262,271)	(262,271)
<b>Total comprehensive income for the year</b>	-	(262,271)	(262,271)
<b>At 30 June 2015</b>	<b>2,009,500</b>	<b>(1,741,114)</b>	<b>268,386</b>

The notes on pages 10 to 23 form part of these financial statements.

---

# STICKS 'N' SUSHI UK LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

### 1. Going concern

The company has incurred losses in its first periods of trading, and despite turning over a profit this year has net current liabilities. These results are anticipated as the restaurants are established in the UK. The company is supported by its Danish parent company, and therefore the directors are confident that the company will be able to pay its creditors as they fall due. The directors have therefore prepared the accounts on a going concern basis.

### 2. Statement of compliance

Sticks 'n' Sushi Limited is a limited company incorporated and domiciled in England in the United Kingdom. Details of the company's registered office and principal place of business can be found on page 1.

### 3. Accounting policies

#### 3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

#### 3.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Sticks 'n' Sushi Holding A/S as at 30 June 2016 and these financial statements may be obtained from Nansengade 49, DK-1366, Copenhagen.

#### 3.3 Revenue

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of value added tax.

#### 3.4 Tangible fixed assets

All fixed assets are initially recorded at cost.

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.

# STICKS 'N' SUSHI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 3. Accounting policies (continued)

The estimated useful lives range as follows:

Leasehold property	- between 10 - 25 years
Plant and machinery	- over 5 years
Fixtures and fittings	- over 5 years
Office equipment	- over 3 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

#### 3.5 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### 3.6 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.

#### 3.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

# STICKS 'N' SUSHI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 3. Accounting policies (continued)

#### 3.8 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.

#### 3.9 Foreign currency translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### 3.10 Finance costs

Finance costs are charged to the Profit and Loss Account 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.

#### 3.11 Operating leases

Rentals paid under operating leases are charged to the profit and loss account 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 period from when a restaurant opens until the end of the lease. The Company adopts this policy so as to match rental expense with income generated by each restaurant.

The Company 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 1 July 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

#### 3.12 Pensions

##### Defined contribution pension plan

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

The contributions are recognised as an expense in the Profit and Loss Account 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.

#### 3.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

---

# STICKS 'N' SUSHI UK LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

---

### 3. Accounting policies (continued)

#### 3.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 4. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Depreciation and residual values:

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

Key sources of estimation uncertainty:

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key estimations are regarding the dilapidation provisions on the premises.

# STICKS 'N' SUSHI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 5. Turnover

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

	2016 £	2015 £
Services	12,877,077	7,820,562
	<u>12,877,077</u>	<u>7,820,562</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	12,877,077	7,820,562
	<u>12,877,077</u>	<u>7,820,562</u>

### 6. Operating profit/(loss)

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

	2016 £	2015 £
Depreciation of tangible fixed assets	805,532	528,395
	10,400	8,900
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	(5,373)	(40,573)
Exchange differences	970,261	653,234
Other operating lease rentals	<u>9,690</u>	<u>-</u>
Defined contribution pension cost		

# STICKS 'N' SUSHI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 7. Employees

	2016 £	2015 £
Wages and salaries	3,978,677	2,470,036
Social security costs	270,942	158,914
Cost of defined contribution scheme	9,690	-
	<u>4,259,309</u>	<u>2,628,950</u>

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

	2016 No.	2015 No.
Number of staff	<u>238</u>	<u>186</u>

### 8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	140,014	62,760
Company contributions to defined contribution pension schemes	9,690	-
	<u>149,704</u>	<u>62,760</u>

During the year retirement benefits were accruing to 1 directors (2015 - NIL) in respect of defined contribution pension schemes.

### 9. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	344	803
Loans from group undertakings	186,720	133,556
	<u>187,064</u>	<u>134,359</u>

# STICKS 'N' SUSHI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 10. Taxation

	2016 £	2015 £
<b>Total current tax</b>	-	-
<b>Deferred tax</b>	159,322	-
Origination and reversal of timing differences	(199,860)	-
Losses and other deductions		
<b>Total deferred tax</b>	<b>(40,538)</b>	-
<b>Taxation on (loss)/profit on ordinary activities</b>	<b>(40,538)</b>	-

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	5,797	(262,271)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	4,360	(50,177)
<b>Effects of:</b>		
Utilisation of tax losses	(4,360)	-
Unrelieved tax losses carried forward	-	50,177
Origination and reversal of timing differences	159,322	-
Losses and other deductions	(199,860)	-
<b>Total tax charge for the year</b>	<b>(40,538)</b>	-

# STICKS 'N' SUSHI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 11. Tangible fixed assets

	Leasehold property	Plant and machinery	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 July 2015	4,719,815	445,919	1,055,882	174,476	6,396,092
Additions	1,210,137	126,545	175,934	23,031	1,535,647
At 30 June 2016	<u>5,929,952</u>	<u>572,464</u>	<u>1,231,816</u>	<u>197,507</u>	<u>7,931,739</u>
<b>Depreciation</b>					
At 1 July 2015	598,957	232,897	238,260	81,704	1,151,818
Charge owned for the period	474,856	92,517	196,484	41,675	805,532
At 30 June 2016	<u>1,073,813</u>	<u>325,414</u>	<u>434,744</u>	<u>123,379</u>	<u>1,957,350</u>
<b>Net book value</b>					
At 30 June 2016	<u>4,856,139</u>	<u>247,050</u>	<u>797,072</u>	<u>74,128</u>	<u>5,974,389</u>
At 30 June 2015	<u>4,120,858</u>	<u>213,022</u>	<u>817,622</u>	<u>92,772</u>	<u>5,244,274</u>

# STICKS 'N' SUSHI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 12. Stocks

	2016 £	2015 £
Raw materials and consumables	134,750	79,149
	<u>134,750</u>	<u>79,149</u>

Stock recognised in cost of sales during the year as an expense was £3,335,312 (2015 - £2,069,502).

### 13. Debtors

	2016 £	2015 £
Trade debtors	325,353	126,704
Other debtors	88,742	4,304
Prepayments and accrued income	533,434	220,569
Deferred taxation	40,538	-
	<u>988,067</u>	<u>351,577</u>

### 14. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	101,007	271,772
	<u>101,007</u>	<u>271,772</u>

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

	2016 £	2015 £
Trade creditors	765,325	833,514
Taxation and social security	491,976	351,639
Other creditors	212,212	42,225
Accruals and deferred income	673,471	508,462
	<u>2,142,984</u>	<u>1,735,840</u>

# STICKS 'N' SUSHI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

	2016 £	2015 £
Amounts owed to group undertakings	4,495,508	3,742,546
	<u>4,495,508</u>	<u>3,742,546</u>

The amount due from group undertakings of £4,495,508 (2015: £3,742,546) relates to a loan from its parent company. The loan is not repayable on demand and interest is accruing on the loan at a rate of 5 percent.

### 17. Deferred taxation

	2016 £	2015 £
Charged to the profit or loss	40,538	-
<b>At end of year</b>	<u>40,538</u>	<u>-</u>

The deferred tax asset is made up as follows:

	2016 £	2015 £
Origination and reversal of timing differences	(159,322)	-
Losses and other deductions	199,860	-
	<u>40,538</u>	<u>-</u>

# STICKS 'N' SUSHI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 18 Provisions

	Dilapidation provision £
At 1 July 2015	200,000
Charged to the profit or loss	45,000
	<u>245,000</u>
At 30 June 2016	

The company has a commitment in respect of its leased premises to reinstate them to their original condition at the expiry of the lease.

### 19. Share capital

	2016 £	2015 £
<b>Shares classified as equity</b>		
<i>Allotted, called up and fully paid</i>		
2,009,500- Ordinary shares of £1 each	<u>2,009,500</u>	<u>2,009,500</u>

### 20. Reserves

#### Profit and loss account

There were no reserves other than the profit and loss account, which records retained earnings and accumulated losses.

### 21. Commitments and contingencies

The company's bankers have provided a rent guarantee of £266,041 (2015: £224,041) in connection with the leased premises of the company.

### 22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £9,690 (2015 - £Nil). Contributions totalling £4,000 (2015 - £4,000) were payable to the fund at the balance sheet date.

# STICKS 'N' SUSHI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 23. Commitments under operating leases

At 30 June 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	1,075,117	1,012,617
Later than 1 year and not later than 5 years	5,261,050	4,059,800
Later than 5 years	13,829,409	8,763,159
	<u>20,165,576</u>	<u>13,835,576</u>

### 24. Related party transactions

The bank overdraft facility and leases over the premises are guaranteed by Sticks 'N' Sushi Holding A/S.

### 25. Ultimate parent entity and controlling party

The company is 100% owned by Sticks 'N' Sushi Holding A/S, a company incorporated in Denmark. Copies of the group accounts of Sticks 'N' Sushi Holding A/S may be obtained from Nansengade 49, DK-1366, Copenhagen.

The directors consider that there is no ultimate controlling party of Sticks 'N' Sushi Holding A/S.

## STICKS 'N' SUSHI UK LIMITED

### 26. First time adoption of FRS 102

Note	As previously stated 1 July 2014 £	Effect of transition 1 July 2014 £	FRS 102 (as restated) 1 July 2014 £	As previously stated 30 June 2015 £	Effect of transition 30 June 2015 £	FRS 102 (as restated) 30 June 2015 £
Fixed assets	2,891,406	-	2,891,406	5,244,274	-	5,244,274
Current assets	597,415	-	597,415	708,139	-	708,139
Creditors: amounts falling due within one year	(946,969)	-	(946,969)	(1,730,093)	(11,388)	(1,741,481)
<b>Net current liabilities</b>	<b>(349,554)</b>	<b>-</b>	<b>(349,554)</b>	<b>(1,021,954)</b>	<b>(11,388)</b>	<b>(1,033,342)</b>
<b>Total assets less current liabilities</b>	<b>2,541,852</b>	<b>-</b>	<b>2,541,852</b>	<b>4,222,320</b>	<b>(11,388)</b>	<b>4,210,932</b>
Creditors: amounts falling due after more than one year	(2,011,195)	-	(2,011,195)	(3,742,546)	-	(3,742,546)
Provisions for liabilities	-	-	-	(200,000)	-	(200,000)
<b>Net assets</b>	<b>530,657</b>	<b>-</b>	<b>530,657</b>	<b>279,774</b>	<b>(11,388)</b>	<b>268,386</b>
Capital and reserves	530,657	-	530,657	279,774	(11,388)	268,386

## STICKS 'N' SUSHI UK LIMITED

### 26. First time adoption of FRS 102 (continued)

	<i>As previously stated 30 June 2015 £</i>	<i>Effect of transition 30 June 2015 £</i>	<i>FRS 102 (as restated) 30 June 2015 £</i>
<i>Note</i>			
Turnover	7,820,562	-	7,820,562
Cost of sales	(2,251,500)	-	(2,251,500)
	5,569,062	-	5,569,062
Administrative expenses	(5,685,586)	(11,388)	(5,696,974)
Operating profit	(116,524)	(11,388)	(127,912)
Interest receivable and similar income	(803)	803	-
Interest payable and similar charges	(133,556)	(803)	(134,359)
<b>Loss on ordinary activities after taxation and for the financial year</b>	<b>(250,883)</b>	<b>(11,388)</b>	<b>(262,271)</b>

Explanation of changes to previously reported profit and equity:

- 1 The lease incentives relating to leases entered into after 1 July 2014 have been amended to be spread over the term of the lease rather than the market rent review.