

Registration number: 07307090

Sticks 'N' Sushi UK Limited

Annual report and financial statements

for the year ended 30 June 2017



Sticks 'N' Sushi UK Limited

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Sticks 'N' Sushi UK Limited

Company information

Directors	T Andersen K R Hansen A Karlsson E P Holm
Registered office	58 Wimbledon Hill Road London United Kingdom SW19 7PA
Independent auditors	Deloitte LLP Chartered Accountants & Statutory Auditor London United Kingdom
Bankers	Danske Bank 75 King William Street London United Kingdom EC4N 7DT

Sticks 'N' Sushi UK Limited

Strategic report

For the year ended 30 June 2017

The directors present their strategic report for the year ended 30 June 2017.

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Fair review of the business

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 DKK 449 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 £15.6 million in the financial year 2016/17 compared to £12.8 million in the financial year 2015/16. The company realised an EBITDA of £2.3 million against £1.0 million the year before. The sales and results were significantly better than budgeted, in view of the restaurant opening and growth plans.

	2016/17	2015/16
	£ 000	£ 000
Operating profit	1,376	193
Depreciation	894	806
EBITDA	<u>2,270</u>	<u>999</u>

Future developments

Sticks 'N' Sushi UK Ltd have secured a new location in Nova, Victoria, London, opened in December 2017 as well as a new location in Oxford opened in November 2017.

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

Sticks 'N' Sushi UK Limited

Strategic report (continued) For the year ended 30 June 2017

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.

The Brexit vote has created uncertainty in the restaurant sector and management will pay particular attention to developments as they progress, taking care to mitigate any risks to employee status and the associated foreign exchange movements that have led to a weaker Sterling, thus increasing the price of imported produce. Set against the impact of the business rates review, national living wage and other cost pressures, management are keen to ensure that the company is well prepared for the coming months and in a robust position from which to grow.

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.

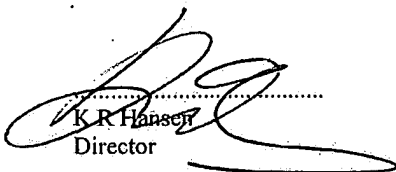
Business model

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.

Brexit

As we are expanding and investing in our UK business we have to accept the risk derived from UK brexit. We do not believe that brexit will have a serious negative effect on our existing business and planned openings in UK, but we are monitoring effects coming from the brexit negotiations closely.

Approved by the Board on 22 December 2017 and signed on its behalf by:



K. R. Hansen
Director

Sticks 'N' Sushi UK Limited

Directors' report

For the year ended 30 June 2017

The directors present their report annually on the affairs of the company, together with the financial statements and auditor's report, for the year ended 30 June 2017.

Results and dividends

The profit for the year, after taxation, amounted to £855,000 (2016: £46,000).

The directors have not recommended a dividend (2016: £nil).

Directors

The directors, who served throughout the year, were as follows:

T Andersen

K R Hansen

A Karlsson

E P Holm

Going concern

At the year end, the company had net current liabilities of £4,096,000 (2016: £5,415,000). The directors are confident of the continued financial support from the sister company, having obtained a commitment to settle its debts as they fall due over the period to at least 12 months from the date of signing of these financial statements, 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.

Appointment of auditors

Deloitte LLP were appointed as auditor and expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

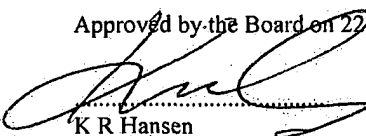
Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board on 22 December 2017 and signed on its behalf by:



K R Hansen
Director

Sticks 'N' Sushi UK Limited

Directors' responsibilities statement

The directors are responsible 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 Financial Reporting Standard 102. 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;
- 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.

Independent auditor's report to the members of Sticks 'N' Sushi UK Limited

Report on the audit of the financial statements

Opinion on the 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Sticks 'N' Sushi UK Limited which comprise the profit and loss account, and the related notes set out on pages 12 to 23. 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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 respect of these matters.

Independent auditor's report to the members of Sticks 'N' Sushi UK Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Report on other legal and regulatory requirements

Opinions 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 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 Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

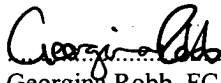
Independent auditor's report to the members of Sticks 'N' Sushi UK Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.



Georgina Robb, FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

London
United Kingdom

22 December 2017

Sticks 'N' Sushi UK Limited

**Profit and loss account
For the year ended 30 June 2017**

	Note	2016/2017 £ 000	2015/2016 £ 000
Turnover	4	15,666	12,877
Cost of sales		<u>(4,182)</u>	<u>(3,503)</u>
Gross profit		11,484	9,374
Administrative expenses		<u>(10,108)</u>	<u>(9,181)</u>
Operating profit	5	1,376	193
Exceptional item	6	177	-
Interest payable and similar charges	7	<u>(297)</u>	<u>(187)</u>
Profit before taxation		1,256	6
Taxation	11	<u>(401)</u>	<u>40</u>
Profit for the financial year		<u>855</u>	<u>46</u>

The above results were derived from continuing operations.

No other comprehensive income has been recognised in the current period and therefore no separate statement of other comprehensive income has been prepared.

Sticks 'N' Sushi UK Limited

Balance sheet As at 30 June 2017

	Note	2016/2017 £ 000	(As restated)* 2015/2016 £ 000
Fixed assets			
Tangible assets	12	5,266	5,975
Current assets			
Stocks	13	142	135
Debtors due within one year	14	1,261	987
Cash at bank and in hand		2,654	101
		<u>4,057</u>	<u>1,223</u>
Creditors: amounts falling due within one year	15	<u>(8,153)</u>	<u>(6,638)</u>
Net current liabilities		<u>(4,096)</u>	<u>(5,415)</u>
Total assets less current liabilities		1,170	560
Provisions for liabilities	17	<u>-</u>	<u>(245)</u>
Total liabilities		<u>(8,153)</u>	<u>(6,883)</u>
Net assets		<u>1,170</u>	<u>315</u>
Capital and reserves			
Called-up share capital	18	2,010	2,010
Profit and loss deficit	18	<u>(840)</u>	<u>(1,695)</u>
Shareholders' funds		<u>1,170</u>	<u>315</u>

*Certain amounts shown in the prior period do not correspond to the final 2015/2016 financial statements and reflect reallocations made. Net assets and shareholders' funds are unaffected. Refer to note 22.

The financial statements of Sticks 'N' Sushi UK Limited (registration number: 07307090) were approved by the Board of directors and authorised for issue on 22 December 2017.

They were signed on its behalf by:


K R Hansen
Director

The notes on pages 12 to 23 form an integral part of these financial statements.

Sticks 'N' Sushi UK Limited

**Statement of changes in equity
For the year ended 30 June 2017**

	Called-up share capital £ 000	Profit and loss deficit £ 000	Total £ 000
At 1 July 2015	<u>2,010</u>	<u>(1,741)</u>	<u>269</u>
Profit for the year	<u>-</u>	<u>46</u>	<u>46</u>
Total comprehensive income	<u>-</u>	<u>46</u>	<u>46</u>
At 30 June 2016	<u>2,010</u>	<u>(1,695)</u>	<u>315</u>

	Called-up share capital £ 000	Profit and loss deficit £ 000	Total £ 000
At 1 July 2016	<u>2,010</u>	<u>(1,695)</u>	<u>315</u>
Profit for the year	<u>-</u>	<u>855</u>	<u>855</u>
Total comprehensive income	<u>-</u>	<u>855</u>	<u>855</u>
At 30 June 2017	<u>2,010</u>	<u>(840)</u>	<u>1,170</u>

The notes on pages 12 to 23 form an integral part of these financial statements.

Sticks 'N' Sushi UK Limited

Notes to the financial statements For the year ended 30 June 2017

1 General information

The company is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of its registered office is:

58 Wimbledon Hill Road

London

United Kingdom

SW19 7PA

The nature of the company's operations and its principal activities are set out in the Strategic report on pages 2 to 3.

2 Accounting policies

Summary of significant accounting policies

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 accounting

These financial statements have been prepared under the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Sticks 'N' Sushi UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

The functional currency of Sticks 'N' Sushi UK Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Going concern

The company has incurred losses in its first periods of trading, but turned over a profit this year and in prior year and also has net current assets in the current year. The company is supported by its Danish sister 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.

Revenue

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

Sticks 'N' Sushi UK Limited

Notes to the financial statements (continued) For the year ended 30 June 2017

2 Accounting policies (continued)

Tangible assets

All fixed assets are initially recorded at cost.

Depreciation

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.

Asset class	Rate
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.

Stocks

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

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 (continued) For the year ended 30 June 2017

2 Accounting policies (continued)

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.

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.

Foreign currency transactions and balances

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.

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.

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.

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.

Sticks 'N' Sushi UK Limited

Notes to the financial statements (continued) For the year ended 30 June 2017

2 Accounting policies (continued)

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.

Tax

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Sticks 'N' Sushi UK Limited

Notes to the financial statements (continued) For the year ended 30 June 2017

3 Critical accounting judgements 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.

4 Turnover

An analysis of the company's turnover is as follows:

	2016/2017 £ 000	2015/2016 £ 000
Restaurant sales	<u>15,666</u>	<u>12,877</u>

All restaurant sales arose within the UK.

5 Operating profit

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

	2016/2017 £ 000	2015/2016 £ 000
Depreciation of tangible fixed assets	894	806
Exchange differences	3	(5)
Other operating lease rentals	1,130	970
Profit on disposal of property, plant and equipment	(1)	-
Defined contribution pension cost	<u>28</u>	<u>10</u>

6 Exceptional item

	2016/2017 £ 000	2015/2016 £ 000
Exceptional item	<u>177</u>	<u>-</u>

The exceptional items relates to a VAT refund regarding take away sales for a period older than the financial year.

Sticks 'N' Sushi UK Limited

Notes to the financial statements (continued) **For the year ended 30 June 2017**

7 Interest payable and similar charges

	2016/2017 £ 000	2015/2016 £ 000
Other finance costs	57	-
Loans from group undertakings	240	187
	<u>297</u>	<u>187</u>

8 Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the company's annual accounts were £39,000 (2016: £10,000). The prior period amount was the amount payable to the Company's previous auditor. See table below for analysis.

	2016/2017 £ 000	2015/2016 £ 000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	39	10
Total audit fees	<u>39</u>	<u>10</u>
All other non-audit services	9	-
Total non-audit fees	<u>9</u>	<u>-</u>

9 Staff costs

The average monthly number of employees (including executive directors) was:

	2016/2017 No.	2015/2016 No.
Administrative	4	4
Restaurant	224	234
	<u>228</u>	<u>238</u>

Their aggregate remuneration comprised:

	2016/2017 £ 000	2015/2016 £ 000
Wages and salaries	4,729	3,978
Social security costs	343	271
Cost of defined contribution scheme	28	10
	<u>5,100</u>	<u>4,259</u>

Sticks 'N' Sushi UK Limited

Notes to the financial statements (continued) **For the year ended 30 June 2017**

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016/2017 £ 000	2015/2016 £ 000
Remuneration	156	140
Company contributions to defined contribution pension schemes	7	10
	<u>163</u>	<u>150</u>

During the year retirement benefits were accruing to 1 director (2016: 1) in respect of defined contribution pensions schemes. The directors are considered to be the only key management personnel of the company.

11 Tax on profit

The tax charge comprises:

	2016/2017 £ 000	2015/2016 £ 000
Current taxation		
UK corporation tax	216	-
Total current tax	<u>216</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	225	160
Adjustments from previous periods	(35)	-
Effect of changes in tax rates	(5)	-
Losses and other deductions	-	(200)
Total deferred tax charge/(credit)	<u>185</u>	<u>(40)</u>
Total tax charge/(credit) on profit	<u>401</u>	<u>(40)</u>

Sticks 'N' Sushi UK Limited

Notes to the financial statements (continued) **For the year ended 30 June 2017**

11 Tax on profit (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016: lower than the standard rate of corporation tax in the UK) of 19.75% (2016: 20%).

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2016/2017 £ 000	2015/2016 £ 000
Profit before tax	<u>1,256</u>	<u>6</u>
Tax on profit at standard UK corporation tax rate of 19.75% (2016: 20%)	248	4
Effects of:		
Expense not deductible	193	-
Utilisation of tax losses	-	(4)
Origination and reversal of timing differences	-	160
Losses and other deductions	-	(200)
Adjustments from previous periods	(35)	-
Tax rate changes	<u>(5)</u>	<u>-</u>
Tax charge/(credit) for the year	<u>401</u>	<u>(40)</u>

Sticks 'N' Sushi UK Limited

Notes to the financial statements (continued)
For the year ended 30 June 2017

12. Tangible assets

	Leasehold property £ 000	Plant and machinery £ 000	Fixtures and fittings £ 000	Office equipment £ 000	Total £ 000
Cost or valuation					
At 1 July 2016	5,930	572	1,232	198	7,932
Additions	192	3	187	27	409
Disposals	(252)	-	(6)	-	(258)
At 30 June 2017	5,870	575	1,413	225	8,083
Depreciation					
At 1 July 2016	1,074	325	435	123	1,957
Charge for the year	550	95	207	42	894
Eliminated on disposal	(34)	-	-	-	(34)
At 30 June 2017	1,590	420	642	165	2,817
Net book value					
At 30 June 2017	4,280	155	771	60	5,266
At 30 June 2016	4,856	247	797	75	5,975

None of the company's assets have a charge associated with them.

Sticks 'N' Sushi UK Limited

Notes to the financial statements (continued) **For the year ended 30 June 2017**

13 Stocks

	2016/2017 £ 000	2015/2016 £ 000
Raw materials and consumables	142	135

14 Debtors

	Note	2016/2017 £ 000	2015/2016 £ 000
Amounts falling due within one year:			
Trade debtors		288	325
Other debtors		423	89
Prepayments and accrued income		550	532
Deferred taxation	16	-	41
		<u>1,261</u>	<u>987</u>

15 Creditors: amounts falling due within one year

	Note	2016/2017 £ 000	(As restated)* 2015/2016 £ 000
Trade creditors		807	765
Social security and other taxes		789	492
Other creditors		4	212
Accruals and deferred income		658	673
Income tax liability		216	-
Deferred taxation	16	144	-
Amounts owed to group undertakings		<u>5,535</u>	<u>4,496</u>
		<u>8,153</u>	<u>6,638</u>

The amount due from group undertakings of £5,535,000 (2016: £4,496,000) relates to a loan from its sister company. The loan is repayable on demand and interest is accruing on the loan at a rate of 5% per annum.

*Certain amounts shown in the prior period do not correspond to the final 2015/2016 financial statements and reflect restatements made. Refer to note 22.

Sticks 'N' Sushi UK Limited

Notes to the financial statements (continued) **For the year ended 30 June 2017**

16 Deferred taxation

	2016/2017 £ 000	2015/2016 £ 000
At start of year	41	-
Adjustment in respect of prior periods	35	-
Charged to the profit or loss	(220)	41
At end of year	(144)	41

The deferred tax asset/(liability) is made up as follows:

	2016/2017 £ 000	2015/2016 £ 000
Origination and reversal of timing differences	(144)	(159)
Losses and other deductions	-	200
	(144)	41

17 Provisions

	Dilapidation provision £ 000
At 1 July 2016	245
Revaluation of provision	(245)
At 30 June 2017	-

During the year the directors revalued the dilapidation provision, leading to its derecognition.

18 Called-up share capital and reserves

Allotted, called-up and fully paid shares

	No. 000	2016/2017 £ 000	No. 000	2015/2016 £ 000
Ordinary shares of £1 each	2,010	2,010	2,010	2,010

The company's other reserves are as follows:

Profit and loss

The profit and loss deficit represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

Sticks 'N' Sushi UK Limited

Notes to the financial statements (continued) For the year ended 30 June 2017

19 Employee benefits

Defined contribution pension scheme

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 £28,000 (2016: £10,000). Contributions totalling £9,000 (2016: £4,000) were payable to the fund at the balance sheet date.

20 Commitments under operating leases

Operating leases

At 30 June 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016/2017 £ 000	2015/2016 £ 000
Not later than one year	1,267	1,075
Later than one year and not later than five years	6,021	5,261
Later than five years	14,369	13,829
	<u>21,657</u>	<u>20,165</u>

21 Related party transactions

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

22 Prior year restatements

The directors have restated the prior period accounts to reclassify the intercompany creditor of £4,496k from an amount falling due after more than one year to an amount falling due within one year. This restatement was made to reflect that the amount is notionally payable upon demand. There is no impact on net assets in either period.

23 Parent and ultimate parent undertaking

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.

24 Events after the reporting period date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.