

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE PERIOD ENDED

25 APRIL 2021

DAISY GREEN FOOD LIMITED

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DAISY GREEN FOOD LIMITED

COMPANY INFORMATION

| | |
|----------------------|---|
| Directors | P E Freeman T D Onions |
| Registered number | 08024998 |
| Registered office | 1 Manchester Square London United Kingdom W1U 3AB |
| Independent auditors | Menzies LLP 1st Floor Midas House 62 Goldsworth Road Woking Surrey GU21 6LQ |

DAISY GREEN FOOD LIMITED

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DAISY GREEN FOOD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 25 APRIL 2021

Introduction

The Directors present their Strategic Report and audited financial statements for the 52 week period ended 25 April 2021.

Business review

The Company operates a group of Antipodean cafes, bars and restaurants in London. During the period, the Company opened one new site, Bondi Green in Paddington.

For the majority of the period the business was significantly impacted by COVID-19 with all sites forced to close and/or operate on a significantly reduced bases (including outdoor only dining, takeaway only service and socially distanced table serving impacting capacity). The Company endured multiple full lockdown periods lasting up to several months. Towards the end of the period (12 April 2021) the Company was able to reopen several sites for outdoor only dining. Following the period end in May 2021, the Company was able to reopen the majority of its sites for reduced capacity indoor dining.

The Company worked throughout the period to contain costs and limit outgoings, pausing critical service contracts, utilising government grants, rates and VAT relief schemes as well as the furlough scheme to retain key employees. The business positioned itself to be able to operate on a very flexible basis by site and offering (take away, delivery, direct to consumer) to ensure brand continuity and profitability, as the economy reopened.

Principal risks and uncertainties

The business and hospitality sector as a whole are susceptible to consumer confidence. As the economic outlook continues to be uncertain due to COVID-19 (and its variants), and eating out for most people is discretionary, there may be further pressure on confidence and demand.

A key operational risk for the business is its ability to attract and retain talent, both back and front of house. The Company invests heavily in people, technology and training to mitigate these risks.

There is limited credit risk as the vast majority of customers pay by credit card at the point of sale. There is limited exchange rate risk as the majority of purchases are made within the UK.

Stringent liquidity management is critical to the business and the Directors believe that maintaining a healthy cash balance is a prudent approach for the current market conditions.

The impact of COVID-19 on key costs is not yet clear. Short term savings on rates, VAT, rents and paused service contracts are currently being offset by increased costs of safety and compliance, fixed costs, labour and cost inflation. There is risk that some increased costs will endure post COVID-19, however the Directors believe that these will be offset by other savings achieved.

The Directors have taken steps to reduce costs wherever possible and fully utilise the various government grants and schemes available, including obtaining a CBILS loan in the period to support COVID-19 working capital requirements.

Future developments

The Company's strategy is to continue to invest in new sites in the UK whilst investing in the required teams, infrastructure and processes to support this growth. Additionally to maintain, improve and grow 'like for like' performances in existing sites as well as grow its direct to consumer businesses (coffee, lamingtons, lifestyle).

The Company opened one new site in the 52 week period to 25 April 2021 and expects to open two to three sites per year moving forward, as well as continue to grow shareholder value through the expansion of its direct to consumer business.

The Company has raised c.£2.6m in additional equity capital (B Investment Shares) post year end.

DAISY GREEN FOOD LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 25 APRIL 2021

Financial key performance indicators

| | 25 April 2021 £ | 26 April 2020 £ |
|-----------------|-----------------------|-----------------------|
| Sales | 4,041,656 | 8,221,958 |
| Adjusted EBITDA | <u>546,098</u> | <u>915,934</u> |

Adjusted EBITDA reported is £546,098 (2020: £915,934) with new site opening costs, one-off directors expenses and kitchen scaling-up expenses totalling £407,307 (2020: 213,015). These figures include kitchen scaling-up expenses of £145,783 (£71,267) which relate to lower central kitchen utilisation due to new sites being delayed/impacted by COVID-19.

The Directors are satisfied with the turnover and the adjusted EBITDA achieved, particularly considering the challenges faced during the period.

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

.....
P E Freeman
Director

Date: 26 January 2022

DAISY GREEN FOOD LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 25 APRIL 2021

The directors present their report and the financial statements for the period ended 25 April 2021.

Directors

The directors who served during the period were:

P E Freeman
T D Onions

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'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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue operational existence for the foreseeable future despite the ongoing COVID-19 pandemic. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. Please see note 2.3 for detail.

Results and dividends

The loss for the period, after taxation, amounted to £872,688 (2020 - loss £21,243).

Matters covered in the strategic report

In accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the Strategic Report preceding the Directors' Report includes information that would formerly have been included in the business review and the principal risk and uncertainties section of the Directors' Report.

DAISY GREEN FOOD LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 25 APRIL 2021

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'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's auditors are aware of that information.

Post balance sheet events

Subsequent to the year end, the company raised c.£2.6m in additional equity capital (B Investment Shares).

Auditors

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

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

.....
P E Freeman

Director

Date: 26 January 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAISY GREEN FOOD LIMITED

Opinion

We have audited the financial statements of Daisy Green Food Limited (the 'Company') for the period ended 25 April 2021, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows, the 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 Company's affairs as at 25 April 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAISY GREEN FOOD LIMITED
(CONTINUED)**

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 Strategic Report and the Directors' Report for the financial period 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.

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out 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, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAISY GREEN FOOD 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations are the most significant including:

- The Companies Act 2006;
- Financial Reporting Standard 102;
- General Data Protection Regulations;
- UK employment legislation;
- UK health and safety regulations;
- UK tax legislation.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

- We understood how the Company is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates; and
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Posting of journals to the accounting software which are of a non-routine nature in terms of timing and amount.
- Completeness of revenue through the incorrect recognition point and inconsistency of the application of the revenue recognition policy.
- The use of management override of controls to manipulate results.
- Capitalisation of tangible fixed assets which do not meet the capitalisation criteria.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAISY GREEN FOOD LIMITED
(CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Tom Woods ACA (Senior Statutory Auditor)

for and on behalf of

Menzies LLP

1st Floor

Midas House

62 Goldsworth Road

Woking

Surrey

GU21 6LQ

27 January 2022

DAISY GREEN FOOD LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE PERIOD ENDED 25 APRIL 2021

| | Note | 2021 £ | 2020 £ |
|---|------|--------------------|--------------------|
| Turnover | 4 | 4,041,656 | 8,221,958 |
| Cost of sales | | (1,632,365) | (2,478,086) |
| Gross profit | | 2,409,291 | 5,743,872 |
| Administrative expenses | | (6,075,155) | (6,976,911) |
| Other operating income | 5 | 2,713,575 | 1,433,482 |
| Operating (loss)/profit | 6 | (952,289) | 200,443 |
| Income from fixed assets investments | 9 | 467,009 | - |
| Interest payable and similar expenses | 10 | (129,107) | (199,742) |
| (Loss)/profit before tax | | (614,387) | 701 |
| Tax on (loss)/profit | 11 | (258,301) | (21,944) |
| Loss after tax | | (872,688) | (21,243) |
| Retained earnings at the beginning of the period | | (1,406,879) | (1,385,636) |
| | | (1,406,879) | (1,385,636) |
| Loss for the period | | (872,688) | (21,243) |
| Retained earnings at the end of the period | | (2,279,567) | (1,406,879) |

The notes on pages 14 to 26 form part of these financial statements.

DAISY GREEN FOOD LIMITED

REGISTERED NUMBER:08024998

STATEMENT OF FINANCIAL POSITION AS AT 25 APRIL 2021

| | Note | 25 April 2021 £ | 26 April 2020 £ |
|---|------|-------------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 5,109,867 | 5,127,772 |
| Investments | 13 | 25,509 | 25,511 |
| | | <u>5,135,376</u> | <u>5,153,283</u> |
| Current assets | | | |
| Stocks | | 107,344 | 59,732 |
| Debtors: amounts falling due after more than one year | 14 | 254,248 | 290,487 |
| Debtors: amounts falling due within one year | 14 | 692,453 | 588,425 |
| Cash at bank and in hand | | 699,450 | 420,772 |
| | | <u>1,753,495</u> | <u>1,359,416</u> |
| Creditors: amounts falling due within one year | 15 | (3,049,179) | (3,127,912) |
| Net current liabilities | | <u>(1,295,684)</u> | <u>(1,768,496)</u> |
| Total assets less current liabilities | | <u>3,839,692</u> | <u>3,384,787</u> |
| Creditors: amounts falling due after more than one year | 16 | (3,754,596) | (2,699,200) |
| Provisions for liabilities | | | |
| Deferred tax | 17 | (280,245) | (21,944) |
| Other provisions | 18 | (286,602) | (272,706) |
| | | <u>(566,847)</u> | <u>(294,650)</u> |
| Net (liabilities)/assets | | <u><u>(481,751)</u></u> | <u><u>390,937</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 2 | 2 |
| Share premium account | 20 | 1,797,814 | 1,797,814 |
| Profit and loss account | 20 | (2,279,567) | (1,406,879) |
| | | <u><u>(481,751)</u></u> | <u><u>390,937</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by: 26 January 2022.

.....
P E Freeman
Director

The notes on pages 14 to 26 form part of these financial statements.

DAISY GREEN FOOD LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 25 APRIL 2021

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|-------------------------|----------------------------|--------------------------|----------------------------|------------------|
| | £ | £ | £ | £ |
| At 29 April 2019 | 2 | 1,797,814 | (1,385,636) | 412,180 |
| Loss for the period | - | - | (21,243) | (21,243) |
| | | | | |
| At 26 April 2020 | 2 | 1,797,814 | (1,406,879) | 390,937 |
| Loss for the period | - | - | (872,688) | (872,688) |
| | | | | |
| At 25 April 2021 | 2 | 1,797,814 | (2,279,567) | (481,751) |

The notes on pages 14 to 26 form part of these financial statements.

DAISY GREEN FOOD LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 25 APRIL 2021

| | 25 April 2021 £ | 26 April 2020 £ |
|---|-----------------------|-----------------------|
| Cash flows from operating activities | | |
| (Loss)/profit for the financial period | (872,688) | (21,243) |
| Adjustments for: | | |
| Depreciation of tangible assets | 624,072 | 502,476 |
| Interest paid | 129,107 | 199,742 |
| (Increase)/decrease in stocks | (47,612) | 179 |
| (Increase) in debtors | (67,789) | (187,281) |
| Increase in creditors | 290,139 | 1,012,145 |
| (Decrease) in amounts owed to group companies | (467,009) | (58) |
| Increase in provisions | 272,197 | 90,132 |
| Dividends received | 467,009 | - |
| Net cash generated from operating activities | 327,426 | 1,596,092 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (606,167) | (2,112,538) |
| Purchase of unlisted investments | - | (25,508) |
| Impairment of investment in subsidiary companies | 2 | - |
| Dividends received | (467,009) | - |
| Net cash from investing activities | (1,073,174) | (2,138,046) |
| Cash flows from financing activities | | |
| Repayment of loans | 1,024,426 | (51,106) |
| Net cash used in financing activities | 1,024,426 | (51,106) |
| Net increase/(decrease) in cash and cash equivalents | 278,678 | (593,060) |
| Cash and cash equivalents at beginning of period | 420,772 | 1,013,832 |
| Cash and cash equivalents at the end of period | 699,450 | 420,772 |
| Cash and cash equivalents at the end of period comprise: | | |
| Cash at bank and in hand | 699,450 | 420,772 |
| | 699,450 | 420,772 |

The notes on pages 14 to 26 form part of these financial statements.

DAISY GREEN FOOD LIMITED

ANALYSIS OF NET DEBT FOR THE PERIOD ENDED 25 APRIL 2021

| | At 27 April 2020 £ | Cash flows £ | At 25 April 2021 £ |
|--------------------------|-----------------------|------------------|-----------------------|
| Cash at bank and in hand | 420,772 | 278,678 | 699,450 |
| Debt due after 1 year | (2,065,687) | (1,089,533) | (3,155,220) |
| Debt due within 1 year | (360,000) | (64,000) | (424,000) |
| | <u>(2,004,915)</u> | <u>(874,855)</u> | <u>(2,879,770)</u> |

The notes on pages 14 to 26 form part of these financial statements.

DAISY GREEN FOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

1. General information

Daisy Green Food Limited is a private company, limited by shares, registered in England and Wales. The registered office and principal place of business can be found on the company information page.

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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Preparation of consolidated financial statements

The only active company within the Group is Daisy Green Food Limited. The only other subsidiary (Daisy Green Marble Arch Limited) was dormant for the period other than one transaction to pay a dividend to Daisy Green Food Limited which is shown within note 9 of these accounts. As a result the directors have chosen not to prepare consolidated financial statements.

2.3 Going concern

Whilst the pandemic period has presented the hospitality industry with unprecedented levels of operational uncertainty it has demonstrated that its offering remains resilient and in demand. Future pandemic associated business interruption continues to threaten, but the Company has taken appropriate measures to reasonably expect that it will have adequate resources to continue to trade for the next 12 months, including the negotiation of an additional CBILS working capital facility, a demonstrated ability to conserve and grow cash balances, strong and supportive relationships with landlords and key suppliers.

Subsequent to the year end, the company raised c.£2.6m in additional equity capital (B Investment Shares) which together with positive post year end trading, has brought the company back into a net asset and net current asset position. The directors are confident that the company will continue with the post year end trend of trading profitably as coronavirus measures are eased, and have sufficient funds to cover the short-term impact seen from the introduction of Plan B COVID measures. A combination of the additional investment received and positive post year end trading lead the directors to believe that it is appropriate to prepare the financial statements on a going concern basis.

2.4 Turnover

Revenue represents net invoiced food and drink sales from a number of restaurants in the UK.

Revenue is recognised once the food and drink has been delivered to the customers and a sales transaction with the customer has been recognised using a till system.

Revenue from delivery and direct to consumer sales is recognised on delivery. Revenue from take away sales is recognised on collection.

DAISY GREEN FOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

2. Accounting policies (continued)

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.6 Other operating income

Other operating income consists of 12.5% service charges on food and drink, which are collected and recognised upon point of sale. Subsequent payments are processed through payroll and are included within administrative expenses.

Also included in other operating income are capital contribution lease incentives, which are released to the Statement of Income and Retained Earnings over the length of the lease to which they relate.

2.7 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 payment obligations.

The contributions are recognised as an expense in profit or loss 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 Company in independently administered funds.

2.8 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 improvements | - over term of the lease |
| Plant and machinery | - 20% to 50% straight line |
| Motor vehicles | - 25% straight line |
| Fixtures and fittings | - over 10 to 15 years straight line |
| Computer equipment | - 20% straight line |

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 profit or loss.

Artwork (held within fixtures, fittings and equipment) is not depreciated as the directors believe that the value of these items does not diminish and the residual value of the artwork will be at least that paid for it by the Company.

DAISY GREEN FOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

2. Accounting policies (continued)

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 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 first in, first out basis.

2.11 Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.12 Financial instruments

The Company 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.

2.13 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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 reporting date.

DAISY GREEN FOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

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

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. The key estimates and assumptions used in these accounts are set out below.

Judgements:

a) Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the amount of the cash generating unit to which the asset belongs.

b) Onerous leases

At each reporting date the Company considers whether any leases are considered to be onerous. Leases considered to be onerous would be recognised as a liability within the Statement of Financial Position. Sales, gross profitability and EBITDA are reviewed when management consider whether leases are onerous.

c) Capitalisation of time

The company capitalises time incurred by employees and directors with regard to getting tangible fixed assets into the state in which they can be used. This includes time incurred by directors which would otherwise have been incurred by third parties with respect to legal and architect's fees. The directors record the time incurred in respect of these activities and consider that they are best reflected within tangible fixed assets, with the respective cost being depreciated over the time in which the costs will generate a benefit to the company. Remaining costs incurred relating to wages and salaries for directors and other staff in relation to opening new stores and the general running of the business are expensed.

Estimates:

a) Dilapidations provision

The Company includes a provision for dilapidations within the Statement of Financial Position. Dilapidation provisions are based on an estimate of the future expected cost of returning restaurant sites to their previous states, as required by the leases to which they relate. The estimated costs are discounted to their present value and unwound over the length of the respective leases. Depreciation of the tangible fixed asset component is released to

the Statement of Income and Retained Earnings over the same period.

4. Turnover

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

| | 2021 £ | 2020 £ |
|-------------------------|------------------|------------------|
| Sales of food and drink | 4,041,656 | 8,221,958 |
| | <u>4,041,656</u> | <u>8,221,958</u> |

All turnover arose within the United Kingdom.

DAISY GREEN FOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

5. Other operating income

| | 2021 £ | 2020 £ |
|----------------------------------|------------------|------------------|
| Other operating income | 439,186 | 940,518 |
| Coronavirus Job Retention Scheme | 1,886,011 | 417,964 |
| Government Grants | 388,378 | 75,000 |
| | <u>2,713,575</u> | <u>1,433,482</u> |

The Government Grants amount of £388,378 (2020: £75,000) consists of the following amounts: Closed Business Lockdown Payment Grant of £21,000 (2020: £75,000), National Restrictions Support Grant of £154,859 (2020: Nil), Restart Grants of £126,000 (2020: Nil), and Eat Out To Help Out Grants of £86,519 (2020: Nil).

Included within other operating income are service charges of £404,539 (2020: £835,570).

6. Operating (loss)/profit

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

| | 2021 £ | 2020 £ |
|---|----------------|---------------|
| Other operating lease rentals | 299,879 | 901,938 |
| Depreciation on tangible fixed assets | 624,072 | 408,310 |
| Government Grants | 388,378 | 75,000 |
| Auditors remuneration | 14,750 | 14,750 |
| Savings in respect of business rates relief | <u>359,566</u> | <u>26,902</u> |

7. Employees

Staff costs, including directors' remuneration, were as follows:

| | 2021 £ | 2020 £ |
|-------------------------------------|------------------|------------------|
| Wages and salaries | 3,655,647 | 3,932,132 |
| Social security costs | 289,111 | 243,763 |
| Cost of defined contribution scheme | 56,617 | 66,682 |
| | <u>4,001,375</u> | <u>4,242,577</u> |

The above includes capitalised amounts, which were £116,775 (2020: £306,914), these can be seen in the fixed asset note.

The number of employees, including directors, during the period was 169 (2020: 172).

DAISY GREEN FOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

8. Directors' remuneration

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Directors' emoluments | 338,974 | 314,358 |
| Company contributions to defined contribution pension schemes | 2,627 | 2,481 |
| | <u>341,601</u> | <u>316,839</u> |

The directors emoluments includes capitalised amounts, which were £60,492 (2020: £192,128), these can be seen in the fixed asset note.

The highest paid director received remuneration of £169,487 (2020: £157,159).

The highest paid director received company contributions to defined contribution pension schemes of £1,314 (2020: £1,241).

9. Income from investments

| | 2021 £ | 2020 £ |
|--|----------------|-----------|
| Dividends received from unlisted investments | 467,009 | - |
| | <u>467,009</u> | <u>-</u> |

10. Interest payable and similar expenses

| | 2021 £ | 2020 £ |
|-----------------------------|----------------|----------------|
| Bank interest payable | 5,787 | 2,748 |
| Other loan interest payable | 123,320 | 196,994 |
| | <u>129,107</u> | <u>199,742</u> |

DAISY GREEN FOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

11. Taxation

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Total current tax | - | - |
| Deferred tax | | |
| Origination and reversal of timing differences | 258,301 | 21,944 |
| Total deferred tax | 258,301 | 21,944 |
| Taxation on profit on ordinary activities | 258,301 | 21,944 |

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| (Loss)/profit on ordinary activities before tax | (614,387) | 701 |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | (116,734) | 133 |
| Effects of: | | |
| Other timing differences leading to an increase (decrease) in taxation | - | (133) |
| Fixed asset differences | 67,687 | 60,553 |
| Expenses not deductible for tax purposes | 2,457 | 1,977 |
| Other permanent differences | - | 2,991 |
| Adjustments to losses | - | (3,533) |
| Adjustments to tax charge in respect of previous periods | - | (61,988) |
| Adjustments to tax charge in respect of previous - deferred tax | (5,280) | 21,944 |
| Exempt ABGH distributions | (88,732) | - |
| Deferred tax asset not recognised | 398,903 | - |
| Total tax charge for the period | 258,301 | 21,944 |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

The Company has £2,099,489 (2020: £Nil) of unutilised tax losses where no deferred tax asset has been recognised.

DAISY GREEN FOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

12. Tangible fixed assets

| | Long-term leasehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|---------------------------------------|---|-----------------------------|------------------------|----------------------------------|----------------------------|------------------|
| Cost or valuation | | | | | | |
| At 27 April 2020 | 2,281,950 | 967,480 | 54,171 | 3,177,073 | 133,971 | 6,614,645 |
| Additions | 125,029 | 90,062 | - | 386,610 | 4,466 | 606,167 |
| | <u>2,406,979</u> | <u>1,057,542</u> | <u>54,171</u> | <u>3,563,683</u> | <u>138,437</u> | <u>7,220,812</u> |
| At 25 April 2021 | | | | | | |
| Depreciation | | | | | | |
| At 27 April 2020 | 357,008 | 376,534 | 54,171 | 646,927 | 52,233 | 1,486,873 |
| Charge for the period on owned assets | 224,664 | 99,443 | - | 275,791 | 24,174 | 624,072 |
| | <u>581,672</u> | <u>475,977</u> | <u>54,171</u> | <u>922,718</u> | <u>76,407</u> | <u>2,110,945</u> |
| At 25 April 2021 | | | | | | |
| Net book value | | | | | | |
| At 25 April 2021 | <u>1,825,307</u> | <u>581,565</u> | <u>-</u> | <u>2,640,965</u> | <u>62,030</u> | <u>5,109,867</u> |
| At 26 April 2020 | <u>1,924,942</u> | <u>590,946</u> | <u>-</u> | <u>2,530,146</u> | <u>81,738</u> | <u>5,127,772</u> |

Artwork with a net book value of £340,784 (2020: £335,647) is disclosed in Fixtures and fittings, as per the accounting policy, no depreciation has been charged in relation to these assets.

DAISY GREEN FOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

13. Fixed asset investments

| | Investments in subsidiary companies | Unlisted investments | Total |
|--------------------------|---|-------------------------|---------------|
| | £ | £ | £ |
| Cost or valuation | | | |
| At 27 April 2020 | 2 | 25,509 | 25,511 |
| Impairment | (2) | - | (2) |
| At 25 April 2021 | <u>-</u> | <u>25,509</u> | <u>25,509</u> |

The company's investments at the balance sheet date are in the share capital of the following companies:

Daisy Green Food Marble Arch Limited - 100% holding of the company. The registered office address is 1 Manchester Square, London, United Kingdom, W1U 3AB. This investment was impaired to £nil during the period.

Liberty Brewing Limited - 0.4% holding of the company. The registered office address is Freedom Brewery, Bagots Park, Abbots Bromley, Rugeley, Staffordshire, England, WS15 3ER

Also included within the above is a £505 investment in the crowdfunding platform Crowdcube. The registered office address is Fourth Floor, Broadwalk House (South Block), Exeter, Devon, England, EX1 1TS.

14. Debtors

| | 25 April 2021 £ | 26 April 2020 £ |
|-------------------------------------|-----------------------|-----------------------|
| Due after more than one year | | |
| Other debtors | 254,248 | 290,487 |
| | <u>254,248</u> | <u>290,487</u> |
| Due within one year | | |
| Trade debtors | 240,655 | 12,770 |
| Other debtors | 229,327 | 554,022 |
| Prepayments and accrued income | 222,471 | 21,633 |
| | <u>692,453</u> | <u>588,425</u> |

DAISY GREEN FOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

15. Creditors: Amounts falling due within one year

| | 25 April 2021 £ | 26 April 2020 £ |
|------------------------------------|-----------------------|-----------------------|
| Bank loans | 424,000 | 360,000 |
| Trade creditors | 922,666 | 1,302,372 |
| Amounts owed to group undertakings | - | 467,009 |
| Other taxation and social security | 721,305 | 223,525 |
| Other creditors | 428,919 | 311,835 |
| Accruals and deferred income | 552,289 | 463,171 |
| | <u>3,049,179</u> | <u>3,127,912</u> |

The bank loans shown above of £424,000 (2020: £360,000) are secured via a fixed and floating charge over the assets of the Company.

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

| | 25 April 2021 £ | 26 April 2020 £ |
|------------------------------|-----------------------|-----------------------|
| Bank loans | 3,155,220 | 2,065,687 |
| Accruals and deferred income | 599,376 | 633,513 |
| | <u>3,754,596</u> | <u>2,699,200</u> |

The bank loans shown above of £3,155,220 (2020: £2,065,687) are secured via a fixed and floating charge over the assets of the Company.

All creditors are due within 5 years for both periods.

17. Deferred taxation

| | 2021 £ | 2020 £ |
|---------------------------|------------------|-----------------|
| At beginning of year | (21,944) | - |
| Charged to profit or loss | (258,301) | (21,944) |
| At end of year | <u>(280,245)</u> | <u>(21,944)</u> |

DAISY GREEN FOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

17. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

| | 25 April 2021 £ | 26 April 2020 £ |
|--------------------------------|-----------------------|-----------------------|
| Fixed asset timing differences | (282,671) | (220,353) |
| Short term timing differences | 2,426 | 2,608 |
| Losses and other deductions | - | 195,801 |
| | <u>(280,245)</u> | <u>(21,944)</u> |

18. Provisions

| | Dilapidation provision £ |
|-------------------------|--------------------------------|
| At 27 April 2020 | 272,706 |
| Increase in provision | 13,896 |
| At 25 April 2021 | <u>286,602</u> |

The provision recognised for dilapidations is an estimate of the costs which would be incurred to bring leasehold property back to its original state. The final cost incurred could differ from that provided for, and the timing of the release of the provision may also differ from that expected depending on the final exit date from the leasehold premises.

19. Share capital

| | 25 April 2021 £ | 26 April 2020 £ |
|--|-----------------------|-----------------------|
| 1,994,700 (2020 - 1,994,700) B Investment shares of £0.00000011 each | 2 | 2 |
| 18,000,000 (2020 -18,000,000) Ordinary A shares of £0.00000011 each | <u>2</u> | <u>2</u> |

B Investment shares have full rights with respect to dividends and distributions.

Ordinary A shares have full rights with respect to voting, dividends, and distributions.

DAISY GREEN FOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

20. Reserves

Share premium account

The share premium account records the amount received from the allotment of new shares in excess of the nominal value of the shares allotted, less any expenses directly related to such allotments.

Profit and loss account

This reserve records retained earnings and accumulated losses.

21. Share based payments

Equity-settled share based payments

The Company has a share option scheme in place for some key management personnel (not including directors). Options are exercisable at a price equal to the average market price of the Company's shares on the date of the grant. The options may be exercised on the sale or floatation of the company, if within 10 years.

Options are forfeited if the employee leaves the Company before the options may be exercised.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

| | 25 April Weighted average exercise price (pence) 2021 | 25 April Number 2021 | <i>26 April</i> <i>Weighted average</i> <i>exercise price</i> <i>(pence)</i> <i>2020</i> | <i>26 April</i> <i>Number</i> <i>2020</i> |
|---|--|---|--|---|
| Outstanding at the beginning of the year | 0.30 | 122,500 | | - |
| Granted during the year | | - | 0.30 | 122,500 |
| Outstanding at the end of the year | 0.30 | 122,500 | 0.30 | 122,500 |

The directors consider the value of the share options to be immaterial.

The Company recognised total expenses of £Nil (2020: £Nil) related to equity-settled share-based payment transactions during the year.

DAISY GREEN FOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 APRIL 2021

22. Commitments under operating leases

At 25 April 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 25 April 2021 £ | 26 April 2020 £ |
|--|-----------------------|-----------------------|
| Not later than 1 year | 822,327 | 840,855 |
| Later than 1 year and not later than 5 years | 2,580,339 | 2,830,437 |
| Later than 5 years | 4,311,594 | 4,815,258 |
| | <u>7,714,260</u> | <u>8,486,550</u> |

23. Related party transactions

During the year transactions were undertaken with a related company which is a related party by virtue of the company being under common control by both directors. Purchases of £2,874 (2020: £34,508) were made and advances of £Nil (2020: £16,800) were made to this company. At the year end the Daisy Green Food Limited was owed £70,934 (2020: £68,060) by the related party.

During the year the following transactions with a director took place:

| | Brought Forward £ | Advance/ Credit £ | Repaid £ | Carried Forward £ |
|---------------|-------------------------|-------------------------|---------------|-------------------------|
| Director Loan | 46,401 | 81,396 | 88,530 | 39,267 |
| | <u>46,401</u> | <u>81,396</u> | <u>88,530</u> | <u>39,267</u> |

The above directors loan is held within the other debtor balance as per note 14.

No interest was charged on this loan during the year (2020: £Nil).

24. Post balance sheet events

The Company has raised £2,634,041 in additional equity capital (B Investment Shares) post year end.

25. Controlling party

P E Freeman and T D Onions were deemed to be the controlling parties by virtue of their shareholding.

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