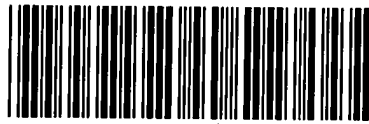


Company Registration No. 08177784 (England and Wales)

FLAT IRON STEAK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 AUGUST 2017

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FLAT IRON STEAK LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
<i>Independent audit report to the members of Flat Iron Steak Limited</i>	5 - 6
Profit and Loss Account and Other Comprehensive Income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 22

FLAT IRON STEAK LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 27 AUGUST 2017

The directors present the strategic report for the period ended 27 August 2017.

Principal activity

The principal activity of the company continued to be that of restaurateurs.

Business review

Flat Iron was recognised in the 2017 Fast Track 100, published by The Sunday Times, as the company with the 23rd fastest growing sales (and overall second fastest growing restaurant company in the UK). The Company's growth continued during the period with another site added, bringing the total number of sites to five as at 27 August 2017.

Since the period end we have experienced strong like for like sales from our four mature sites and the new site is maturing in line with expectations. We are seeking to open one more restaurant in the financial year to August 2018.

Adjusted EBITDA of £1,352,083 (2016: £859,045) is after the costs relating to the pre-opening and launch costs of the new site as well as the partial pre-opening costs for sites in the pipeline. The position of the Company at the period end can be found on page 8.

Despite the UK restaurant market having become more competitive over recent years with operators experiencing cost pressures from National Living Wage increases, rising property costs combined with consumers real incomes being squeezed by rising inflation, the Company continued to generate cash from operating activities and is positive about delivering another year of increased sales and profitability.

The main challenges to the business are the dynamic and competitive nature of our sector, economic pressure on consumers, cost inflation, securing new sites in a competitive market and finding the right people to work in those new sites.

During 2017 we have continued our focus on development of people both internally and through recruitment, and made a significant investment in the Operations team to support future growth.

Going concern

The Company is profitable and cash generative, and continues to trade strongly. The directors have considered forecast cash flow projections and funding requirements, and as a consequence believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

As a result of other restaurant operators struggling in the sector the directors decided after the August 2017 period end to slow the opening of new sites to monitor the increased availability of prime locations being offered to the Company. The delay to the site roll-out plan resulted in a technical breach of bank covenants post year end, which were subsequently reset by the bank who continue to be supportive of the business. No further covenant issues are anticipated in the future.

Based on the above, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore the Company has continued to adopt the going concern basis in preparing the annual financial statements.

FLAT IRON STEAK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2017

Principal risks and uncertainties

The key risks and uncertainties in the main business of restaurant operation relate to ensuring consistent delivery of the product and services offered, to ensure the restaurants retain their attractiveness to customers. There is significant competition in the London restaurant market and the Company aims to offer the highest level of product and service in order to keep ahead of its competitors.

Credit risk

There is little risk in the restaurant business with the vast majority of customers paying by cash or credit card.

Liquidity risk

The Company monitors cash flow as part of its day to day control procedures and ensures that appropriate funding is available.

Legislative risk

On 23 June 2016 the UK electorate voted to discontinue its membership of the European Union. The UK Government further triggered article 50 on 29 March 2017 to start the formal process of leaving the EU. While there will be commercial, operational and legal impacts from the UK's eventual exit from the EU, uncertainties remain and make it difficult to forecast future years. Until further clarity is known regarding the terms of exit, it is too early for the directors to include their assessment of the impact on the company's trade, customers, regulatory requirements and legal consequences of such an event.

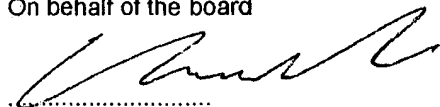
Financial and non-financial key performance indicators

The KPIs used to measure performance include turnover growth year on year, gross profit margin and adjusted EBITDA margin. We benchmark these measures against the appropriate industry competitors and implement the necessary controls to ensure that we achieve our target ratios.

	52 weeks ended 27 August 2017	52 weeks ended 28 August 2016
Turnover growth (Period on Period)	55.1%	89.2%
Gross profit margin	33.5%	34.0%
Adjusted EBITDA margin	11.5%	11.4%

The directors are satisfied with the KPIs in 2017.

On behalf of the board



C A Carroll

Director

19/7/18

FLAT IRON STEAK LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 27 AUGUST 2017

The directors present their annual report and financial statements for the period ended 27 August 2017.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

C A Carroll

J Fleet

(Appointed 26 September 2017)

Results and dividends

The results for the period are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Charitable and Political donations

During the period the Company made charitable donations to Macmillan Cancer Support of £134,377 (2016: £42,685).

The Company made no political donations or incurred any political expenditure during the period (2016: £nil).

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board



.....
C A Carroll

Director

19/7/18

6 York Street,
London
W1U 6QD

Company Registration No. 08177784

FLAT IRON STEAK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 27 AUGUST 2017

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

FLAT IRON STEAK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FLAT IRON STEAK LIMITED

Opinion

We have audited the financial statements of Flat Iron Steak Limited (the 'company') for the period ended 27 August 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 August 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our other ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and directors' report. Our opinion on the financial statements does not cover those reports and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the strategic report and directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

FLAT IRON STEAK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FLAT IRON STEAK LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative 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. 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 fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



David Campbell (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Chartered Accountants
Statutory Auditor

24/7/18

15 Canada Square
Canary Wharf
London
E14 5GL

FLAT IRON STEAK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 27 AUGUST 2017

		52 weeks ended 27 August 2017 £	52 weeks ended 28 August 2016 £
	Notes		
Turnover	3	11,715,100	7,555,480
Cost of sales		(7,795,100)	(4,984,814)
Gross profit		3,920,000	2,570,666
Administrative expenses		(3,385,951)	(2,303,673)
		534,049	266,993
Adjusted EBITDA*		1,352,083	859,045
Depreciation	10	(415,158)	(265,969)
Pre-opening costs	4	(146,723)	(257,496)
Other operating costs	4	(256,153)	(68,587)
Operating profit	5	534,049	266,993
Interest receivable and similar income		120	-
Interest payable and similar expenses	8	(78,059)	(33,545)
Profit before taxation		456,110	233,448
Taxation	9	170,340	(50,920)
Total profit and comprehensive income for the financial period		626,450	182,528

All amounts relate to continuing operations.

There were no recognised gains and losses for 2017 and 2016 other than those included in the statement of profit and loss and other comprehensive income.

* Adjusted EBITDA is earnings before interest, tax, depreciation, pre-opening costs and other operating costs.

The notes on pages 10 to 22 form part of these financial statements.

FLAT IRON STEAK LIMITED

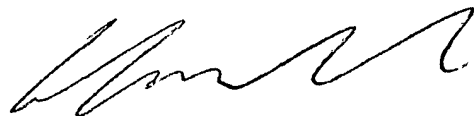
BALANCE SHEET

AS AT 27 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	10		2,910,389		2,604,576
Current assets					
Stocks	11	111,123		86,396	
Debtors (including £273,962 (2016: £251,874) due after more than one year)	12	1,897,260		490,654	
Cash at bank and in hand		1,489,053		418,326	
		<u>3,497,436</u>		<u>995,376</u>	
Creditors: amounts falling due within one year	13	<u>(2,269,520)</u>		<u>(1,654,903)</u>	
Net current assets/(liabilities)			<u>1,227,916</u>		<u>(659,527)</u>
Total assets less current liabilities			<u>4,138,305</u>		<u>1,945,049</u>
Creditors: amounts falling due after more than one year	14		(2,375,000)		(728,527)
Provisions for liabilities	15		-		(92,633)
Net assets			<u>1,763,305</u>		<u>1,123,889</u>
Capital and reserves					
Called up share capital	16		1		1
Share premium account	16		472,089		470,436
Share based payment reserve	18		-		69,878
Profit and loss reserves			<u>1,291,215</u>		<u>583,574</u>
Total equity			<u>1,763,305</u>		<u>1,123,889</u>

The notes on pages 10 to 22 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 19/7/18 and are signed on its behalf by:



C A Carroll
Director

Company Registration No. 08177784

FLAT IRON STEAK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 27 AUGUST 2017

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 31 August 2015		1	470,436	43,976	401,046	915,459
Period ended 28 August 2016:						
Profit and total comprehensive income for the period		-	-	-	182,528	182,528
Share Based Payment expense		-	-	25,902	-	25,902
Balance at 28 August 2016		1	470,436	69,878	583,574	1,123,889
Period ended 27 August 2017:						
Profit and total comprehensive income for the period		-	-	-	626,450	626,450
Issue of share capital	16	-	1,653	-	-	1,653
Share Based Payment expense	18	-	-	11,313	-	11,313
Release of Share Based Payment reserve	18	-	-	(81,191)	81,191	-
Balance at 27 August 2017		1	472,089	-	1,291,215	1,763,305

The notes on pages 10-22 form part of these financial statements.

FLAT IRON STEAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 AUGUST 2017

1 Accounting policies

Company information

Flat Iron Steak Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 08177784 and the registered address is 6 York Street, London, W1U 6QD.

1.1 Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company's parent undertaking FI Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of FI Holdings Limited are available to the public and may be obtained from 6 York Street, London, W1U 6QD. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemption available under FRS 102 in respect of the following disclosure: 1) Cash Flow Statement and related notes, 2) Share Based Payments and 3) Basic Financial Instruments.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Company is profitable and cash generative, and continues to trade strongly. The directors have considered forecast cash flow projections and funding requirements, and as a consequence believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

As a result of other restaurant operators struggling in the sector the directors decided after the August 2017 period end to slow the opening of new sites to monitor the increased availability of prime locations being offered to the Company. The delay to the site roll-out plan resulted in a technical breach of bank covenants post year end, which were subsequently reset by the bank who continue to be supportive of the business. No further covenant issues are anticipated in the future.

Based on the above, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore the Company has continued to adopt the going concern basis in preparing the annual financial statements.

1.3 Turnover

Turnover comprises revenue recognised by the Company in respect of sales to customers in the restaurant businesses during the period, net of VAT. Turnover of restaurant services is recognised when the services have been delivered.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold	Straight line over the life of the lease
Equipment	Straight line over four years
Fixtures and fittings	Straight line over five years
Computer and tills	Straight line over four years

FLAT IRON STEAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2017

1 Accounting policies

(Continued)

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits. The Company assesses at each reporting date whether tangible fixed assets are impaired.

1.5 Leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.6 Stocks

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow-moving stocks. Cost is based on the first-in first-out principle.

Stock consists of restaurant stock (food and beverages) and a herd of cattle.

1.7 Trade and other debtors/creditors

Trade and other debtor/creditors are measured at cost. Debtors are assessed for impairment at each balance sheet date.

1.8 Cash and cash equivalents

Cash and cash equivalents comprise cash balances in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.9 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 bank and other third parties and loans to related parties.

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 arrangement of a short-term instrument constitutes a financing transaction, like the payment of a trade debtor deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright 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.

1.10 Interest payable

Interest payable and similar charges include interest payable on bank loans.

1.11 Current and deferred tax

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

FLAT IRON STEAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2017

1 Accounting policies

(Continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income and expense are non-taxable or are disallowable for tax because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.12 Employee benefits

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Any unused holiday pay entitlement is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Share-based payment transactions

The grant date fair value of share based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured based on a Black-Scholes options model taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share based payment awards with non-vesting conditions, the grant date fair value of the share based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

FLAT IRON STEAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2017

2 Judgements and key sources of estimation uncertainty

Critical judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Key judgements made by management include:

Onerous lease and dilapidation provisions

Provisions for onerous leases and dilapidations include estimates such as the length of time a property may be empty for and the value of any make good costs at the end of a lease. Provisions are discounted to present value which requires the use of a discount rate. Provisions are reviewed regularly and adjusted as appropriated.

Useful lives of tangible assets

Depreciation and amortisation are provided in order to write down to estimated residual values the cost of each asset over its estimated useful economic life. These useful economic lives require the use of management judgement. These estimates are regularly reviewed.

Impairment of tangible assets

Each cash generating unit (CGU) is reviewed annually for indicators of impairment. In assessing whether an asset has been impaired, the carrying value of the CGU is compared to its recoverable amount. The recoverable amount is the higher of its fair value and its value in use. Where value in use is estimated, this is calculated using a discounted cash flow model, which includes assumptions around future performance and the use of an appropriate discount rate. Further projections are compared to actual performance on a regular basis to assess the accuracy of such projections.

3 Analysis of turnover

The whole turnover is attributable to the restaurant sales in the year.

All turnover arose within the United Kingdom.

4 Other operating costs

	2017 £	2016 £
Pre-opening costs	146,723	257,496
Shared based payment expenses	11,313	25,902
Charitable donations	134,377	42,685
Deal costs	110,463	-
	<u>402,876</u>	<u>326,083</u>

These items were included within administrative expenses.

The charitable donations were made to Macmillan Cancer Support.

FLAT IRON STEAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2017

5 Expenses and auditor's remuneration

	2017 £	2016 £
<i>Included in profit/loss are the following:</i>		
Depreciation of tangible fixed assets	415,158	265,969
Operating lease rentals - other operating leases	920,387	779,963
<i>Auditor's remuneration:</i>		
Audit of the financial statements of the company	23,000	20,000
<i>Amounts receivable by the Company's auditor in respect of:</i>		
Taxation compliance services	4,250	4,000

6 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2017 Number	2016 Number
Director	1	1
Management, operations and administration	219	156
	220	157

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	3,802,061	2,535,237
Social security costs	268,944	153,191
Share based payments	11,313	25,902
	4,082,318	2,714,330

7 Director's remuneration

	2017 £	2016 £
Director's emoluments	125,048	133,846

During the period, the director, Mr C A Carroll, made advances to the Company of £20,000 (2016: £nil), and withdrew sums against these advances of £nil (2016: £25,045). At the period end, the amount owed by Mr Carroll to the company was £nil (2016: £20,000). This loan was interest-free and repayable on demand.

FLAT IRON STEAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2017

8 Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	78,059	33,545

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	-	17,037
Adjustments in respect of prior periods	883	-
Total current tax	883	17,037
Deferred tax		
Origination and reversal of timing differences	(166,076)	41,394
Changes in tax rates	(5,147)	(7,511)
Total deferred tax	(171,223)	33,883
Total tax (credit)/charge	(170,340)	50,920

The actual (credit)/charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	456,110	233,448
Tax on profit on ordinary activities at standard CT rate of 19.59% (2016: 20%)	89,355	46,690
<i>Effects of:</i>		
Expenses not deductible for tax purposes	324	207
Income not taxable for tax purposes	(2,391)	-
Adjustments to tax charge in respect of previous periods	883	-
Fixed asset differences	24,129	11,534
Adjustments to brought forward values	(13,690)	-
Timing differences not recognised in the computation	14,069	-
Other permanent differences	(303,182)	-
Adjust closing deferred tax to average rate of 19.59%	-	(7,511)
Credit in respect of rate change on deferred tax liability to average rate of 19.59%	20,163	-
Taxation (credit)/charge for the period	(170,340)	50,920

FLAT IRON STEAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2017

9 Taxation

(Continued)

Reductions to the UK Corporation tax from 20% to 19% (effective from 1 April) and to 18% (effective 1 April 2020) were substantially enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax expense accordingly. The deferred tax balances as at 27 August 2017 have been calculated on these rates.

10 Tangible fixed assets

	Short leasehold £	Assets under construction £	Equipment £	Fixtures and fittings £	Computer and fills £	Total £
Cost						
At 29 August 2016	1,904,129	-	659,883	426,069	87,318	3,077,399
Additions	242,919	167,980	219,414	69,519	21,139	720,971
At 27 August 2017	2,147,048	167,980	879,297	495,588	108,457	3,798,370
Depreciation						
At 29 August 2016	123,908	-	210,179	111,669	27,067	472,823
Depreciation	123,166	-	172,257	89,372	30,363	415,158
At 27 August 2017	247,074	-	382,436	201,041	57,430	887,981
Carrying amount						
At 27 August 2017	1,899,974	167,980	496,861	294,547	51,027	2,910,389
At 28 August 2016	1,780,221	-	449,704	314,400	60,251	2,604,576

The Company's leasehold properties provide security for the bank loan.

11 Stocks

	2017 £	2016 £
Goods held for resale	76,292	59,243
Cattle	34,831	27,153
	111,123	86,396

Changes in stock recognised as cost of sales in the year amounted to £3,639,323 (2016: £2,339,234). The write-down of stock to net realisable value amount to £nil (2016: £nil).

FLAT IRON STEAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2017

12 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	113,140	-
Amounts due from group undertakings	1,131,386	-
Other debtors	33,747	31,530
Director's loan	-	20,000
Prepayments and accrued income	266,435	187,250
Deferred tax asset (note 15)	78,590	-
	<u>1,623,298</u>	<u>238,780</u>
Amounts falling due after more than one year:		
Property deposits	273,962	251,874
	<u>273,962</u>	<u>251,874</u>
Total debtors	<u>1,897,260</u>	<u>490,654</u>

13 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	14	500,000	232,000
Trade creditors		525,531	334,137
Corporation tax		3,480	17,037
Taxation and social security		426,750	305,339
Other creditors		342,716	345,858
Accruals and deferred income		471,043	420,532
		<u>2,269,520</u>	<u>1,654,903</u>

FLAT IRON STEAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2017

14 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans	2,375,000	728,527
Analysis of loans		
Wholly repayable within five years	2,875,000	960,527
Included in current liabilities	(500,000)	(232,000)
	2,375,000	728,527

Bank loans are secured by first legal charge over the company's leasehold properties and its associated assets. Interest payable on the bank loan for each interest period is the percentage rate per annum which is the aggregate of the applicable margin plus libor, with margin defined as being 3.50% per annum. The loan shall be repaid in quarterly repayments of £125,000 with repayment initially commencing on 2 June 2017 and due on quarterly basis subsequently on the repayment date. The final repayment is due on 2 March 2020.

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2017 £	Liabilities 2016 £	Assets 2017 £	Assets 2016 £
Balances:				
Accelerated capital allowances	-	105,560	(83,964)	-
Short term timing differences	-	(12,927)	13,803	-
Losses and other deductions	-	-	148,751	-
	-	92,633	78,590	-
Movements in the period:				2017 £
Liability at 29 August 2016				92,633
Credit to profit or loss				(171,223)
Liability/(Asset) at 27 August 2017				(78,590)

FLAT IRON STEAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2017

16 Capital and reserves

Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
1,059 Ordinary A shares of £0.001 each (2016: 1,059)	1	1
335 Ordinary B shares of £0.001 each (2016: 335)	-	-
108 Ordinary C shares of £0.001 each (2016: nil)	-	-
	<u>1</u>	<u>1</u>

A and B Ordinary shareholders are entitled to vote at all general meetings of the Company and are entitled to receive dividends declared from time to time. The holders of C Ordinary shares are not entitled to vote at general meetings of the Company, or to receive any dividends.

On 2 March 2017, 108 Ordinary C shares of £0.001 were issued by the Company. 68 Ordinary C shares of £0.001 were allotted for cash at £0.001, credited as fully paid, and a further 40 Ordinary C shares of £0.001 were allotted for cash at £41.32, credited as fully paid, giving rise to the share premium of £1,653.

Share premium account

	2017 £	2016 £
At beginning of period	470,436	470,436
Issue of 108 new Ordinary C shares	1,653	-
	<u>472,089</u>	<u>470,436</u>

The share premium account represents the excess paid for the Company shares over and above the nominal share capital of the Company.

Profit and loss account

The profit and loss account represents retained profits or losses less amounts distributed to shareholders.

Share based payment reserve

The share based payment reserve represents amounts accruing for equity based share options granted to members of senior management (see note 18).

FLAT IRON STEAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2017

17 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017 £	2016 £
Within one year	785,000	725,000
Between one and five years	3,140,000	2,900,000
In over five years	6,374,603	6,692,761
	<u>10,299,603</u>	<u>10,317,761</u>

During the year £920,387 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £792,949).

FLAT IRON STEAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2017

18 Employee benefits

Share based payments

The company issued equity settled share based payments to senior members of the management team, whereby services are rendered in exchange for rights over shares in the Company. Only three members of staff were entitled to share options. The option scheme and awards are designed to be in accordance with EMI rules.

The options were granted to senior management in 2013 and 2015 and were exercised on 2 March 2017 as a result of the Company being acquired by FI Holdings Limited.

The fair value of employee share options at the grant date was measured using a Black-Scholes options model, using comparable inputs to a peer group of listed companies. The number and weighted average exercise price of share options for the Company are as follows:

	Weighted average exercise price 2017 £	Number of options 2017 £	Weighted average exercise price 2016 £	Number of options 2016 £
Outstanding at the beginning of the period	19.13	108	19.13	108
Forefeited during the period	-	-	-	-
Exercised during the period	(19.13)	(108)	-	-
Granted during the period	-	-	-	-
Outstanding at the end of the period	-	-	19.13	108
Exercisable at the end of the period	-	-	-	-

The total expense recognised for the period and the total accrued in the share reserve at the end of the period arising from share based payments are as follows:

	2017 £	2016 £
Total share based payment expense	11,313	25,902
Total amount accrued in share based payment reserve	81,191	69,878
Amount released to Profit & Loss reserve	(81,191)	Nil
Balance at end of period	Nil	69,878

FLAT IRON STEAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2017

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	<u>186,846</u>	<u>264,000</u>

The Company has a balance of £1,131,386 (2016: £ nil) owed by the parent company, FI Holdings Limited. No interest was charged in the period and the balance is repayable on demand.

20 Ultimate controlling party

The immediate controlling party is FI Holdings Limited. In the opinion of the directors there is no one ultimate controlling party of the company. The registered address of FI Holdings Limited is 6 York Street, London, W1U 6QD.