

Company registration number 10627049 (England and Wales)

SOURDOUGH SOUTH LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 26 DECEMBER 2021

WEDNESDAY



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SOURDOUGH SOUTH LIMITED

COMPANY INFORMATION

Directors	E Blackmore P J Bruton T C Hall S N Champ
Company number	10627049
Registered office	34 Anyards Road Cobham Surrey KT11 2LA
Auditor	Riches & Company 34 Anyards Road Cobham Surrey KT11 2LA

SOURDOUGH SOUTH LIMITED

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SOURDOUGH SOUTH LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 26 DECEMBER 2021

The directors present the strategic report for the year ended 26 December 2021.

Fair review of the business

During the period, revenue was £11,061,278 (2021: £4,554,467) while the loss before tax and exceptional items for the period was £889,158 (2021: £82,086).

The current period performance includes a newly acquired subsidiary, Fistril Leisure Limited, with turnover of £612,228 and showing a profit since acquisition (4 month period) of £92,030.

The performance of the Group for the period ended 29 December 2021 was considered satisfactory considering the wider economic situation. The restaurants operated by the group were closed or customer attendance to the restaurants were limited for the first part of the year the period due to the Coronavirus pandemic.

Principal risks and uncertainties

The following are the principal risks and uncertainties faced by the Group:

The Group's working capital requirements are met principally out of cash generated from sales made in the bars and restaurants in which the Group operates, and from financing provided by issue of shares. The most significant risk remains to be that of the Coronavirus pandemic however the risk in comparison to the previous year has been dramatically reduced, the effect of which still cannot yet be quantified, with cases in the UK reporting to be fluctuating.

Any extended period of economic uncertainty or stagnant growth in the United Kingdom could affect the Group if this results in lower disposable incomes for customers of the restaurants. In addition, the Directors see changing customer trends and an increased level of competition in the casual dining sector as risks to the Group. The Group addresses these risks by conducting thorough research of its chosen locations prior to, opening, as well as providing a unique offer and experience in the marketplace in order to attract customers and encourage repeat custom.

On behalf of the board



.....
T C Hall
Director

Date: 27/09/2022

SOURDOUGH SOUTH LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 26 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 26 December 2021.

Principal activities

The principal activity of the company and group continued to be that of operating pizza restaurants.

Results and dividends

The results for the year are set out on page 6.

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

Directors

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

E Blackmore
P J Bruton
T C Hall
S N Champ

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

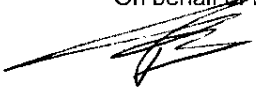
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order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

SOURDOUGH SOUTH LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 26 DECEMBER 2021

On behalf of the board



.....
T C Hall
Director

Date: 23/09/2022.....

SOURDOUGH SOUTH LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOURDOUGH SOUTH LIMITED

Opinion

We have audited the financial statements of Sourdough South Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 26 December 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 26 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 group's and parent 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 auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

SOURDOUGH SOUTH LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SOURDOUGH SOUTH LIMITED

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Richard Bolton (Senior Statutory Auditor)
For and on behalf of Riches & Company

Date: **27/09/2022**

Chartered Accountants
Statutory Auditor

34 Anyards Road
Cobham
Surrey
KT11 2LA

SOURDOUGH SOUTH LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 26 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	11,061,278	4,554,647
Cost of sales		(5,196,208)	(1,965,436)
Gross profit		5,865,070	2,589,211
Administrative expenses		(8,121,049)	(3,302,157)
Other operating income		1,414,142	665,904
Write off of intercompany loan	4	-	2,548,199
Operating (loss)/profit	5	(841,837)	2,501,157
Interest payable and similar expenses	9	(47,321)	(35,044)
(Loss)/profit before taxation		(889,158)	2,466,113
Tax on (loss)/profit	10	320,619	(50,011)
(Loss)/profit for the financial year	28	(568,539)	2,416,102

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

SOURDOUGH SOUTH LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 26 DECEMBER 2021

	2021 £	2020 £
(Loss)/profit for the year	(568,539)	2,416,102
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(568,539)</u>	<u>2,416,102</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

SOURDOUGH SOUTH LIMITED

GROUP BALANCE SHEET

AS AT 26 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	11	1,911,589		-	
Tangible assets	12	4,289,876		5,158,190	
		6,201,465		5,158,190	
Current assets					
Stocks	15	194,327		79,972	
Debtors	16	1,499,191		1,081,483	
Cash at bank and in hand		1,806,508		1,818,051	
		3,500,026		2,979,506	
Creditors: amounts falling due within one year	17	(2,771,421)		(2,254,971)	
Net current assets		728,605		724,535	
Total assets less current liabilities		6,930,070		5,882,725	
Creditors: amounts falling due after more than one year	18	(613,372)		(258,049)	
Provisions for liabilities					
Provisions	21	523,133		463,036	
Deferred tax liability	22	51,489		30,594	
		(574,622)		(493,630)	
Net assets		5,742,076		5,131,046	
Capital and reserves					
Called up share capital	25	15,273		13,532	
Share premium account	26	4,997,695		3,819,867	
Other reserves	27	543,107		678,835	
Profit and loss reserves	28	186,001		618,812	
Total equity		5,742,076		5,131,046	

The financial statements were approved by the board of directors and authorised for issue on 29/09/2022 and are signed on its behalf by:

T C Hall
Director

SOURDOUGH SOUTH LIMITED

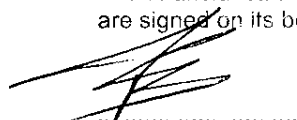
COMPANY BALANCE SHEET

AS AT 26 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		544,638		624,179
Investments	13		4,379,252		855,302
			<u>4,923,890</u>		<u>1,479,481</u>
Current assets					
Stocks	15	27,944		18,947	
Debtors	16	317,567		613,627	
Cash at bank and in hand		1,160,751		899,119	
		<u>1,506,262</u>		<u>1,531,693</u>	
Creditors: amounts falling due within one year	17	(4,332,753)		(982,056)	
Net current (liabilities)/assets			<u>(2,826,491)</u>		<u>549,637</u>
Total assets less current liabilities			<u>2,097,399</u>		<u>2,029,118</u>
Creditors: amounts falling due after more than one year	18		(196,705)		(258,049)
Provisions for liabilities					
Provisions	21	523,133		463,036	
Deferred tax liability	22	23,028		30,594	
		<u></u>	<u>(546,161)</u>	<u></u>	<u>(493,630)</u>
Net assets			<u>1,354,533</u>		<u>1,277,439</u>
Capital and reserves					
Called up share capital	25		15,273		13,532
Share premium account	26		4,997,695		3,819,867
Other reserves	27		543,107		678,835
Profit and loss reserves	28		(4,201,542)		(3,234,795)
Total equity			<u>1,354,533</u>		<u>1,277,439</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,102,475 (2020 - £1,437,505 loss).

The financial statements were approved by the board of directors and authorised for issue on 27/09/2022 and are signed on its behalf by:



T C Hall
Director

Company Registration No. 10627049

SOURDOUGH SOUTH LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 26 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 30 December 2019		8,532	2,049,948	172,364	(1,797,290)	433,554
Year ended 27 December 2020:						
Profit and total comprehensive income for the year		-	-	-	2,416,102	2,416,102
Issue of share capital	25	5,000	1,769,919	-	-	1,774,919
Transfers		-	-	506,471	-	506,471
Balance at 27 December 2020		13,532	3,819,867	678,835	618,812	5,131,046
Year ended 26 December 2021:						
Loss and total comprehensive income for the year		-	-	-	(568,539)	(568,539)
Issue of share capital	25	1,741	1,177,828	-	-	1,179,569
Exercise of share options		-	-	(135,728)	135,728	-
Balance at 26 December 2021		15,273	4,997,695	543,107	186,001	5,742,076

SOURDOUGH SOUTH LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 26 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 30 December 2019		8,532	2,049,948	172,364	(1,797,290)	433,554
Year ended 27 December 2020:						
Loss and total comprehensive income for the year		-	-	-	(1,437,505)	(1,437,505)
Issue of share capital	25	5,000	1,769,919	-	-	1,774,919
Transfers		-	-	506,471	-	506,471
Balance at 27 December 2020		13,532	3,819,867	678,835	(3,234,795)	1,277,439
Year ended 26 December 2021:						
Loss and total comprehensive income for the year		-	-	-	(1,102,475)	(1,102,475)
Issue of share capital	25	1,741	1,177,828	-	-	1,179,569
Exercise of share options		-	-	(135,728)	135,728	-
Balance at 26 December 2021		15,273	4,997,695	543,107	(4,201,542)	1,354,533

SOURDOUGH SOUTH LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 26 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	31	1,680,112		1,163,834	
Interest paid		(17,224)		(20,469)	
Income taxes paid		(95,034)		-	
Net cash inflow from operating activities		1,567,854		1,143,365	
Investing activities					
Purchase of business		(2,731,922)		(343,266)	
Purchase of tangible fixed assets		(292,304)		(1,326,274)	
Proceeds from disposal of tangible fixed assets		(59,200)		133,232	
Repayment of loans		(93,917)		(3,562)	
Net cash used in investing activities		(3,177,343)		(1,539,870)	
Financing activities					
Proceeds from issue of shares		1,179,569		1,774,919	
Proceeds from new bank loans		500,000		50,000	
Repayment of bank loans		(22,809)		(7,256)	
Payment of finance leases obligations		(58,814)		(59,603)	
Net cash generated from financing activities		1,597,946		1,758,060	
Net (decrease)/increase in cash and cash equivalents		(11,543)		1,361,555	
Cash and cash equivalents at beginning of year		1,818,051		456,496	
Cash and cash equivalents at end of year		1,806,508		1,818,051	

SOURDOUGH SOUTH LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 26 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	32		2,830,398		(404,681)
Interest paid			(13,978)		(20,469)
Income taxes refunded			125		-
Net cash inflow/(outflow) from operating activities			2,816,545		(425,150)
Investing activities					
Purchase of tangible fixed assets		(34,992)		(43,674)	
Proceeds from disposal of tangible fixed assets		-		12,251	
Purchase of subsidiaries		(3,523,950)		(855,302)	
Repayment of loans		(93,917)		(3,562)	
Net cash used in investing activities			(3,652,859)		(890,287)
Financing activities					
Proceeds from issue of shares		1,179,569		1,774,919	
Proceeds from new bank loans		-		50,000	
Repayment of bank loans		(22,809)		(7,256)	
Payment of finance leases obligations		(58,814)		(59,603)	
Net cash generated from financing activities			1,097,946		1,758,060
Net increase in cash and cash equivalents			261,632		442,623
Cash and cash equivalents at beginning of year			899,119		456,496
Cash and cash equivalents at end of year			1,160,751		899,119

SOURDOUGH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 26 DECEMBER 2021

1 Accounting policies

Company information

Sourdough South Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 34 Anyards Road, Cobham, Surrey, KT11 2LA.

The group consists of Sourdough South Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Sourdough South Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 26 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

SOURDOUGH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

1 Accounting policies

(Continued)

Investment in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash flows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10% Straight line
Plant and equipment	20% Straight line
Fixtures and fittings	25% Straight line
Computer	25% Straight line

SOURDOLAH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 DECEMBER 2021

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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 recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

SOURDOUGH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

SOURDOUGH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 DECEMBER 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset is transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities (including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt), are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. Long-term debt are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives (including interest rate swaps and forward foreign exchange contracts), are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss as finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance is monitored on a fair value basis in accordance with a documented risk management or investment strategy.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 26 DECEMBER 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in the future and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities and other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the carrying amount nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

SOURDOUGH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 DECEMBER 2021

1 Accounting policies

(Continued)

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model if a valuation carried out by a professional is not readily available. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised in the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Accelerated payments (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.19 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets and liabilities from finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a financial liability. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the true pattern in which economic benefits from the leased asset are consumed.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 26 DECEMBER 2021

1 Accounting policies

(Continued)

1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgement and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are believed to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover of property development business		
Enterprise revenue	11,061,278	4,554,647

	2021	2020
	£	£
Other revenue		
Grants received	1,403,419	665,904

4 Expenditure

	2021	2020
	£	£
Expenditure		
Finance charges on borrowings, plant and equipment and amounts due from Group	-	(2,548,199)
	-	(2,548,199)

At 2021, 2020 and 2019, the amount of the loan payable to Fuller Smith & Turner plc of £2,548,199.

SOURBORTH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

5 Operating (loss)/profit

	2021 £	2020 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Government grants	(1,403,419)	(665,904)
Depreciation and amortisation of fixed assets	672,138	163,164
Loss on disposal of tangible fixed assets	600,066	-
Amortisation of intangible assets	477,897	-
Release of negative goodwill	-	(1,633,296)
Share-based payments	-	506,471
Operating (loss)/profit	845,071	698,302

6 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services:		
Audit of the financial statements of the group and company	6,000	-

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year is:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Administration and management	95	33	46	9
Restaurant staff and chefs	282	294	31	61
Total	377	327	77	70

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	5,637,108	3,307,644	1,753,109	1,862,493
Social security costs	406,690	281,728	173,145	131,346
Pensions costs	70,004	68,348	16,580	37,626
Total	6,113,802	3,657,720	1,942,834	2,031,465

SOURDOUGH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

8 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	839,123	494,516
Company pension contributions to defined contribution schemes	2,852	2,798
	<u>841,975</u>	<u>497,314</u>

The number of directors who exercised share options during the period was 4 (2020 - 0).

The number of directors who are entitled to receive shares under long term incentive schemes during the period was 1 (2020 - 4).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	295,736	104,838
Company pension contributions to defined contribution schemes	1,276	933
	<u>297,012</u>	<u>105,771</u>

9 Interest paid and financial expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	17,199	20,469
Other financial costs:		
Unwinding of discount on provisions	30,097	14,575
Other financial costs	25	-
Total financial costs	<u>47,321</u>	<u>35,044</u>

10 Taxation

	2021 £	2020 £
Deferred tax:		
Origination and reversal of timing differences	(320,619)	50,011
	<u>(320,619)</u>	<u>50,011</u>

SOUTHERN SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

10 Taxation

(Continued)

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

	2021 £	2020 £
(Loss)/profit before taxation	(889,158)	2,466,113
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(168,940)	468,561
Tax effect of expenses that are not deductible in determining taxable profit	423,380	49,895
Tax effect on utilisation of tax losses not previously recognised	(199,908)	-
Utilised tax losses carried forward	131,267	356,909
Group relief	(33,112)	-
Permanent capital allowances in excess of depreciation	(152,142)	(80,882)
Under/over provided in prior years	(545)	-
Effect of exceptional item	-	(484,157)
Deferred tax movement	(320,619)	50,011
Aggregate increase with	-	(310,326)
Taxation (credit)/charge	(320,619)	50,011

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 28 December 2020	-
Additions	2,389,486
At 26 December 2021	2,389,486
Amortisation and impairment	
At 28 December 2020	-
Amortisation charged for the year	477,897
At 26 December 2021	477,897
Carrying amount	
At 26 December 2021	1,911,589
At 27 December 2020	-

The company had no intangible fixed assets at 26 December 2021 or 27 December 2020.

SOURDOLGH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

12 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 26 December 2020	2,299,914	817,350	94,430	10,261	3,221,955
Additions	112,830	228,099	-	3,761	344,690
Business combinations	2,385,151	46,717	-	-	2,431,868
Disposals	(727,293)	(247,445)	-	-	(974,738)
At 26 December 2021	4,070,602	844,721	94,430	14,022	5,023,775
Depreciation and impairment					
At 26 December 2020	(1,707,560)	(310,943)	74,318	7,950	(1,936,235)
Depreciation charged in the year	381,089	275,479	13,630	1,940	672,138
Eliminated in respect of disposals	(143,302)	295,542	-	-	152,240
Transfers	1,845,756	-	-	-	1,845,756
At 26 December 2021	375,983	260,078	87,948	9,890	733,899
Carrying amount					
At 26 December 2021	3,694,619	584,643	6,482	4,132	4,289,876
At 27 December 2020	4,007,474	1,128,293	20,112	2,311	5,158,190

Company	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 26 December 2020	604,840	227,335	94,430	10,261	936,866
Additions	6,200	25,031	-	3,761	34,992
At 26 December 2021	611,040	252,366	94,430	14,022	971,858
Depreciation and impairment					
At 26 December 2020	138,196	92,223	74,318	7,950	312,687
Depreciation charged in the year	49,425	49,538	13,630	1,940	114,533
At 26 December 2021	187,621	141,761	87,948	9,890	427,220
Carrying amount					
At 26 December 2021	423,419	110,605	6,482	4,132	544,638
At 27 December 2020	466,644	135,112	20,112	2,311	624,179

SOURDOUGH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

13 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investment in subsidiaries	14	-	-	4,379,252	855,302

Movement in fixed asset investments Company

	Shares in subsidiaries £
Cost of valuation:	
At 18 December 2020	855,302
At 18 Dec 2021	3,523,950
At 18 Dec 2021 (2021)	4,379,252
Carrying amount	
At 18 December 2020	4,379,252
At 18 December 2021	855,302

14 Subsidiaries

Details of the company's subsidiaries at 26 December 2021 are as follows:

Subsidiary undertakings	Address	Class of shares held	% Held	
			Direct	Indirect
1) The Sourdough South Investments Limited (1)	England & Wales	Ordinary	-	100.00
11) Sourdough South Limited (2)	England & Wales	Ordinary	100.00	-
Fistral Leisure Limited	England & Wales	Ordinary	100.00	-

Registered office addresses (all UK unless otherwise indicated):

- 1) The Sourdough South Investments Limited
- 2) The Sourdough South Limited

Each of the company's subsidiaries are exempt from audit by virtue of s479A of the Companies Act 2006.

15 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Finished goods and materials for sale	194,327	79,972	27,944	18,947

SOUTH COAST YOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

16 Debtors

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	44,074	15,487	9,371	15,487
Long-term debtors (variable)	28,756	-	28,756	-
Amounts owed by group undertakings	-	-	-	381,929
Other debtors	314,285	361,170	188,229	94,754
Prepayments and accrued income	276,522	210,786	91,211	118,457
	<u>663,637</u>	<u>587,443</u>	<u>317,567</u>	<u>613,627</u>
Deferred tax asset (note 22)	128,576	-	-	-
	<u>792,213</u>	<u>587,443</u>	<u>317,567</u>	<u>613,627</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 22)	706,978	494,040	-	-
	<u>1,499,191</u>	<u>1,081,483</u>	<u>317,567</u>	<u>613,627</u>

17 Creditors and liabilities falling due within one year

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Bank loans	19	112,212	66,000	28,879	66,000
Other financial liabilities, finance leases	20	55,656	58,814	55,656	58,814
Payments received on account		-	1,383	-	1,383
Trade creditors		528,698	605,923	217,703	171,797
Amounts owed to group undertakings		-	-	3,139,971	-
Corporation tax payable		102,317	-	28,881	-
Other tax and social security		848,160	318,974	352,415	227,980
Other creditors		142,683	100,762	57,561	52,342
Accruals and related income		981,695	1,103,115	451,687	403,740
		<u>2,771,421</u>	<u>2,254,971</u>	<u>4,332,753</u>	<u>982,056</u>

SOURDOLGH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

18 Creditors' amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	19	452,539	21,560	35,872	21,560
Obligations under finance leases	20	-	55,656	-	55,656
Other creditors		160,833	180,833	160,833	180,833
		<u>613,372</u>	<u>258,049</u>	<u>196,705</u>	<u>258,049</u>

19 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	<u>564,751</u>	<u>87,560</u>	<u>64,751</u>	<u>87,560</u>
Payable within one year	112,212	66,000	28,879	66,000
Payable over one year	<u>452,539</u>	<u>21,560</u>	<u>35,872</u>	<u>21,560</u>

The loans are secured by fixed and floating charges.

20 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases				
Within one year	55,656	58,814	55,656	58,814
In two to five years	-	55,656	-	55,656
	<u>55,656</u>	<u>114,470</u>	<u>55,656</u>	<u>114,470</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for variable lease payments.

21 Provisions for liabilities

	Group 2021 £	2020 £	Company 2021 £	2020 £
Deferred provisions	<u>523,133</u>	<u>463,036</u>	<u>523,133</u>	<u>463,036</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 26 DECEMBER 2021

21 Provisions for liabilities

(Continued)

Movements on provisions:

	Deferred consideration £
Group	
At 26 December 2020	463,036
Additional provisions in the year	30,000
Unwinding of discount	30,097
	<u>523,133</u>
At 31 December 2021	<u>523,133</u>
Company	
At 26 December 2020	463,036
Additional provisions in the year	30,000
Unwinding of discount	30,097
	<u>523,133</u>
At 31 December 2021	<u>523,133</u>

During the year, the Company acquired shares in a subsidiary with a deferred consideration calculated at 30,000. The amount has not been discounted due to the payment likely to be paid within a few months of the year end.

During the reporting year the Company acquired shares in a subsidiary with a deferred consideration calculated at 135 - £448,461 after discounting it for 5 years, when it is contracted to be paid. The provision has been unwound during the year with £30,097 (2021 - £14,575) being posted to the profit and loss. The balance at the year end was £493,133.

22 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Group				
Accelerated capital allowances	51,489	30,594	-	494,040
Losses carried forward	-	-	835,554	-
	<u>51,489</u>	<u>30,594</u>	<u>835,554</u>	<u>494,040</u>

SOURDOUGH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

22 Deferred taxation (Continued)

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Company				
Accelerated capital allowances	23,028	30,594	-	-
			Group 2021 £	Company 2021 £
Movements in the year				
Balance at 28 December 2020			(463,446)	30,594
Charge to profit or loss			(320,619)	(7,566)
Balance at 26 December 2021			(784,065)	23,028

The deferred tax asset associated to accelerated capital allowances set out above is expected to reverse within 12 months. The deferred tax asset associated to tax losses set out above are expected to reverse after 12 months through carried forward group relief.

The deferred tax liability associated to accelerated capital allowances set out above is expected to reverse within 12 months and is expected to mature within the same period.

23 Pension and other long-term employee benefits	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	70,004	68,348

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share-based payment transactions	Number of share options		Weighted average exercise price	
Group and company	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 28 December 2020	3,587,752	46,045	0.19	3.74
Granted	-	3,541,707	-	0.14
Exercised	(917,082)	-	0.14	-
Outstanding at 26 December 2021	2,670,670	3,587,752	0.20	0.19
Exercisable at 26 December 2021	2,670,670	46,045	-	3.74

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 26 DECEMBER 2021

24 Share based payment transactions

(Continued)

The weighted average share price at the date of exercise for share options exercised during the period was £0.19 (2020: £0).

The options outstanding at 26 December 2021 had an exercise price ranging from £0.001 to £0.03, and a remaining contractual life of 6-8 years. The shares become exercisable after reaching various performance targets.

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Expenses recognised in the year				
At the beginning of the year				
At the end of the year				
At the beginning of the year	-	506,471	-	506,471

25 Share capital

Group and company	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of 0.1p each	15,273,000	13,532,214	15,273	13,532

Each ordinary share carries one vote in any circumstances, is entitled pari passu to dividend payments or any other distribution, and is entitled pari passu to participate in a distribution arising from a winding up of the Company.

26 Share premium account

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
At the beginning of the year	3,819,867	2,049,948	3,819,867	2,049,948
Issue of new shares	1,177,828	1,769,919	1,177,828	1,769,919
At the end of the year	4,997,695	3,819,867	4,997,695	3,819,867

SOURCE FISH FARM LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

27 Other reserves

Group	£
At the beginning of the prior year	172,364
Additions	506,471
At the end of the prior year	678,835
Other movements	(135,728)
At the end of the current year	543,107
Company	£
At the beginning of the prior year	172,364
Additions	506,471
At the end of the prior year	678,835
Other movements	(135,728)
At the end of the current year	543,107

28 Profit and loss reserves

	Group 2021 £	2020 £	Company 2021 £	2020 £
At the beginning of the year	618,812	(1,797,290)	(3,234,795)	(1,797,290)
Profit/(loss) for the year	(568,539)	2,416,102	(1,102,475)	(1,437,505)
Other movements	135,728	-	135,728	-
At the end of the year	186,001	618,812	(4,201,542)	(3,234,795)

SOURDOUGH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

29 Acquisition of a business

On 27 August 2021 the group acquired 100 percent of the issued capital of Fistral Leisure Limited.

	Book Value £	Adjustments £	Fair Value £
Net assets acquired			
Property, plant and equipment	52,386	-	52,386
Inventories	32,000	-	32,000
Trade and other receivables	582,508	-	582,508
Cash and cash equivalents	762,027	-	762,027
Trade and other payables	(125,863)	-	(125,863)
Tax liabilities	(168,595)	-	(168,595)
Total identifiable net assets	1,134,463	-	1,134,463
Goodwill			2,389,486
Total consideration			3,523,949
Financing and cash satisfied by:			£
Cash			3,493,949
Issued share premium			30,000
			3,523,949
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£
Turnover			612,228
Profit after tax			92,030

SOUDEDOUCH SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

30 Operating lease commitments

Details

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	1,077,908	1,274,915	145,000	241,667
Between two and five years	4,558,620	5,246,662	850,000	966,668
For more than five years	8,749,683	9,981,939	1,422,904	1,124,838
	<u>14,386,211</u>	<u>16,503,516</u>	<u>2,417,904</u>	<u>2,333,173</u>
Reduction in lease payments recognised in profit or loss arising from the COVID-19 pandemic	-	167,250	-	-

31 Cash generated from group operations

	2021 £	2020 £
Cash generated from operations after tax	(568,539)	2,416,102
Adjustments for:		
Taxation credits charged	(320,619)	50,011
Depreciation	47,321	35,044
Impairment reversal of tangible fixed assets	600,066	-
Impairment and impairment of intangible assets	477,897	(1,633,296)
Depreciation and impairment of tangible fixed assets	672,138	163,164
Equity settled share-based payment expense	-	506,471
Decrease in provisions	-	(14,575)
Movements in working capital:		
Increase in stocks	(82,355)	(52,286)
Decrease / increase in debtors	628,987	(386,415)
Increase in creditors	225,216	79,614
Cash generated from operations	<u>1,680,112</u>	<u>1,163,834</u>

SOUTHERN SOUTH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 DECEMBER 2021

32 Cash generated from/(absorbed by) operations - company

	2021 £	2020 £
Profit before taxation	(1,102,475)	(1,437,505)
Adjustments for:		
Taxation credits charged	(7,566)	30,594
Finance costs	44,075	35,044
Depreciation and impairment of tangible fixed assets	114,533	80,873
Equity settled share based payment expense	-	506,471
Increase in provisions	30,000	448,461
Movements in working capital:		
(Increase)/decrease in stocks	(8,997)	8,739
Decrease/increase in debtors	418,733	(412,599)
Increase in creditors	3,342,095	335,241
Cash generated from/(absorbed by) operations	2,830,398	(404,681)

33 Analysis of changes in net funds - group

	28 December 2020 £	Cash flows £	26 December 2021 £
Capital funds and in hand	1,818,051	(11,543)	1,806,508
Borrowings excluding overdrafts	(87,560)	(477,191)	(564,751)
Obligations under finance leases	(114,470)	58,814	(55,656)
	<u>1,616,021</u>	<u>(429,920)</u>	<u>1,186,101</u>

34 Analysis of changes in net funds - company

	28 December 2020 £	Cash flows £	26 December 2021 £
Capital funds and in hand	899,119	261,632	1,160,751
Borrowings excluding overdrafts	(87,560)	22,809	(64,751)
Obligations under finance leases	(114,470)	58,814	(55,656)
	<u>697,089</u>	<u>343,255</u>	<u>1,040,344</u>