

COMPANY REGISTRATION NUMBER: 11362371

Elan Speciality Coffee Limited

Filleted Financial Statements

30 June 2020

Elan Speciality Coffee Limited

Statement of Financial Position

30 June 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	918,565	911,383
Current assets			
Stocks		7,579	4,604
Debtors	6	18,417	401,235
Investments	7	—	2,286
Cash at bank and in hand		149	—
		26,145	408,125
Creditors: amounts falling due within one year	8	1,086,519	1,545,114
Net current liabilities		1,060,374	1,136,989
Total assets less current liabilities		(141,809)	(225,606)
Net liabilities		(141,809)	(225,606)
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(141,909)	(225,706)
Shareholders deficit		(141,809)	(225,606)

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 11 June 2021 , and are signed on behalf of the board by:

Ms Miller Salame

Director

Company registration number: 11362371

Elan Speciality Coffee Limited

Notes to the Financial Statements

Year ended 30 June 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Jubilee House, Townsend Lane, London, NW98TZ.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	-	15% reducing balance
Plant and machinery	-	15% reducing balance
Fixtures and fittings	-	15% reducing balance
Equipment	-	15 % reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 26 (2019: 28).

5. Tangible assets

	Long leasehold property £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 July 2019	769,316	137,316	104,733	1,283	1,012,648
Additions	155,732	685	3,320	—	159,737
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At 30 June 2020	925,048	138,001	108,053	1,283	1,172,385
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Depreciation					
At 1 July 2019	76,932	13,732	10,473	128	101,265
Charge for the year	119,104	18,640	14,637	174	152,555
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At 30 June 2020	196,036	32,372	25,110	302	253,820
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Carrying amount					
At 30 June 2020	729,012	105,629	82,943	981	918,565
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At 30 June 2019	692,384	123,584	94,260	1,155	911,383
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6. Debtors

	2020 £	2019 £
Trade debtors	5,225	127,132
Amounts owed by group undertakings and undertakings in which the company has a participating interest	—	260,623
Other debtors	13,192	13,480
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	18,417	401,235
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7. Investments

	2020 £	2019 £
Anem Coffee Machine Deposit	—	2,286
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8. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	91,610	220,338
Amounts owed to group undertakings and undertakings in which the company has a participating interest	541,540	1,129,300
Social security and other taxes	164,195	136,978
Damask Catering Limited	247,792	—
Service Charge / Tronc	19,230	12,209
Other creditors	22,152	46,289
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	1,086,519	1,545,114
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9. Summary audit opinion

The auditor's report for the year dated 14 June 2021 was unqualified, however, the auditor drew attention to the following by way of emphasis.

We draw your attention to the going concern issue indicated in Note 12 to the financial statements. While drawing your attention to this note, we want to state that our auditor's opinion is not modified in respect of the matter emphasized.

The senior statutory auditor was Hayford Doh FCCA , for and on behalf of Ashford Louis .

10. Related party transactions

Elan Speciality Coffee Limited is a subsidiary of Racine Restaurants Limited. As at year ended 30 June 2020 Elan Speciality Coffee Limited owed to:

	2020	2019
	£	£
Racine Restaurants Limited	517,877	1,129,300
EL&N Limited	23,663—	

Elan Speciality Coffee Limited was also owed by:

	2020	2019
	£	£
Hans Crescent Patisserie Limited	—	260,623

During the year Elan Speciality Coffee Limited incurred Head office cost totalling £46,912 (2019:£ NIL) from EL&N Ltd. All these companies are connected by virtue of common directorship.

11. Controlling party

Racine Restaurants Limited is the parent company of Elan Speciality Coffee Limited and holds 100% of the shareholding.

12. Going concern

Since the start of January 2020, the coronavirus outbreak, which is a rapidly evolving situation has adversely impacted global commercial activities. The rapid development and fluidity of the situation precludes any prediction as to its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown.

The director is monitoring developments relating to Covid-19 regularly and are coordinating its operational response based on existing business continuity plans, in addition to guidance from global health organisations, the government and general pandemic response best practices.

Having reviewed the company's forecasts and projections, taking account of possible changes in trading performance, the director has reasonable expectation that the company should be able to continue in operational existence without the need for external facilities for the foreseeable future.

The director is optimistic that with the numerous business support schemes introduced by the Government, the company should be able to continue operationally. In the light of this, the going concern has been adopted in the preparation of the financial statements for the year ended 30 June 2020.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.