Registered number: SC440532

# THE KITCHIN RESTAURANT LIMITED

## FINANCIAL STATEMENTS

## FOR THE PERIOD ENDED 30 SEPTEMBER 2020

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | Mr T W Kitchin<br>Mrs M B Kitchin<br>Mr R J M Kitchin<br>Mr P Y N Nublat<br>Mrs V Southcott<br>Mr S Ranc |
| **Registered number** | SC440532 |
| **Registered office** | Kitchin Head Office<br>108 Commercial Street<br>Leith<br>Edinburgh<br>Scotland<br>EH6 6NF |
| **Accountants** | EQ Accountants LLP<br>Chartered Accountants<br>Pentland House<br>Saltire Centre<br>Glenrothes<br>Fife<br>KY6 2AH |

THE KITCHIN RESTAURANT LIMITED
REGISTERED NUMBER:SC440532

## STATEMENT OF FINANCIAL POSITION
## AS AT 30 SEPTEMBER 2020

| | Note | | 30 September 2020 £ | | *31 March 2019 £* |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 4 | | **210,000** | | *315,000* |
| Tangible assets | 5 | | **463,555** | | *692,411* |
| | | | **673,555** | | *1,007,411* |
| **Current assets** | | | | | |
| Stocks | | **106,516** | | *128,296* | |
| Debtors: amounts falling due within one year | 6 | **652,963** | | *547,684* | |
| Cash at bank and in hand | | **748,474** | | *417,340* | |
| | | **1,507,953** | | *1,093,320* | |
| Creditors: amounts falling due within one year | 7 | **(1,678,826)** | | *(1,345,169)* | |
| **Net current liabilities** | | | **(170,873)** | | *(251,849)* |
| **Total assets less current liabilities** | | | **502,682** | | *755,562* |
| Creditors: amounts falling due after more than one year | 8 | | **-** | | *(232,436)* |
| **Provisions for liabilities** | | | | | |
| Deferred tax | | **(41,786)** | | *(78,580)* | |
| | | | **(41,786)** | | *(78,580)* |
| **Net assets** | | | **460,896** | | *444,546* |
| **Capital and reserves** | | | | | |
| Called up share capital | 9 | | **1** | | *1* |
| Profit and loss account | | | **460,895** | | *444,545* |
| | | | **460,896** | | *444,546* |

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**
**AS AT 30 SEPTEMBER 2020**

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

| | |
|---|---|
| Mrs V Southcott | Mrs M B Kitchin |
| **Director** | **Director** |
| Date: 4 May 2021 | Date: 4 May 2021 |

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

## 1. General information

The Kitchin Restaurant Limited is limited by shares and incorporated in Scotland with registration number SC440532. The address of the registered office is 108 Commercial Street, Leith, Edinburgh, Scotland, EH6 6NF.

During the period, the company's accounting reference date was changed from 31 March to 30 September and therefore, the financial statements cover the eighteen month period ended 30 September 2020.

The financial statements are presented in Sterling which is the functional currency of the Company and rounded to the nearest £.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

### 2.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company 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.

At the date of approval of the financial statements, the directors are aware of the potential impact on the company of COVID-19. As the country is still in the midst of the pandemic, it is not possible to assess the potential full impact. However, the directors have taken all the steps necessary to mitigate any impact the virus may have on the company and has considered a period of at least 12 months from the date of approval of the financial statements.

**2. Accounting policies (continued)**

**2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

**2.5 Pensions**

**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

## 2. Accounting policies (continued)

### 2.6 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## 2. Accounting policies (continued)

### 2.7 Intangible assets

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of income and retained earnings over its useful economic life.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

| | | |
|---|---|---|
| Goodwill | - | 10 % straight line |

### 2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|---|---|---|
| Operating Equipment | - | 25% straight line |
| Motor vehicles | - | 25% straight line |
| Fixtures and fittings | - | 25% straight line |
| Office equipment | - | 33% straight line |
| Tenants Improvements | - | 10% straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of income and retained earnings.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

## 2. Accounting policies (continued)

### 2.10 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

## 3. Employees

The average monthly number of employees, including directors, during the period was 61 *(2019 - 66)*.

## 4. Intangible assets

| | Goodwill |
|---|---|
| | £ |
| **Cost** | |
| At 1 April 2019 | **700,000** |
| At 30 September 2020 | **700,000** |
| **Amortisation** | |
| At 1 April 2019 | **385,000** |
| Charge for the period on owned assets | **105,000** |
| At 30 September 2020 | **490,000** |
| **Net book value** | |
| At 30 September 2020 | **210,000** |
| ***At 31 March 2019*** | *315,000* |

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

## 5. Tangible fixed assets

| | Operating Equipment | Fixtures and fittings | Office equipment | Tenants Improve- ments | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Cost or valuation** | | | | | |
| At 1 April 2019 | **418,557** | **122,886** | **17,167** | **624,070** | **1,182,680** |
| Additions | **5,176** | **-** | **3,899** | **5,620** | **14,695** |
| Disposals | **-** | **-** | **(1,054)** | **-** | **(1,054)** |
| At 30 September 2020 | **423,733** | **122,886** | **20,012** | **629,690** | **1,196,321** |
| **Depreciation** | | | | | |
| At 1 April 2019 | **169,413** | **96,764** | **14,313** | **209,779** | **490,269** |
| Charge for the period on owned assets | **76,069** | **20,855** | **3,992** | **142,635** | **243,551** |
| Disposals | **-** | **-** | **(1,054)** | **-** | **(1,054)** |
| At 30 September 2020 | **245,482** | **117,619** | **17,251** | **352,414** | **732,766** |
| **Net book value** | | | | | |
| At 30 September 2020 | **178,251** | **5,267** | **2,761** | **277,276** | **463,555** |
| ***At 31 March 2019*** | *249,144* | *26,122* | *2,854* | *414,291* | *692,411* |

## 6. Debtors

| | 30 September 2020 | *31 March 2019* |
|---|---|---|
| | £ | *£* |
| Trade debtors | **-** | *3,760* |
| Amounts owed by group undertakings | **642,668** | *517,359* |
| Other debtors | **3,366** | *3,922* |
| Prepayments and accrued income | **6,929** | *22,643* |
| | **652,963** | *547,684* |

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

## 7. Creditors: Amounts falling due within one year

| | 30 September 2020 £ | *31 March 2019 £* |
|---|---|---|
| Bank loans | **245,031** | *122,210* |
| Trade creditors | **67,197** | *162,053* |
| Amounts owed to group undertakings | **30,000** | *106,061* |
| Other taxation and social security | **341,509** | *167,240* |
| Obligations under finance lease and hire purchase contracts | - | *5,365* |
| Other creditors | **879,576** | *677,668* |
| Accruals and deferred income | **115,513** | *104,572* |
| | **1,678,826** | *1,345,169* |

**Secured Loans**

Bank loans and overdrafts are secured by a bond and floating charge over the company's assets and guarantee from its parent company, Tom Kitchin Limited. A letter of lien has also been provided over deposits in the sum of £150,000 held by the bank in the name of the company.

## 8. Creditors: Amounts falling due after more than one year

| | 30 September 2020 £ | *31 March 2019 £* |
|---|---|---|
| Bank loans | - | *231,989* |
| Net obligations under finance leases and hire purchase contracts | - | *447* |
| | - | *232,436* |

**Secured Loans**

Bank loans and overdrafts are secured by a bond and floating charge over the company's assets and those of its parent company, Tom Kitchin Limited

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

## 9. Share capital

| | 30 September 2020 £ | *31 March 2019 £* |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 1 Ordinary share of £1.00 | **1** | *1* |

## 10. Related Party Transactions

Included within net amounts due to group undertakings is a loan from Castle Terrace Restaurant Limited of £30,000 (2019 - £120,000). This loan is interest free and has no fixed repayment terms.

Included within net amounts due from group undertakings is a loan to Tom Kitchin Limited of £225,000 (2019 - £295,000) and a loan to Kora Restaurant Limited of £175,373 (2019 - £nil) and a loan to The Scran and Scallie Limited of £10,000 (2019 - £nil) and a loan to The Bonnie Badger Limited of £229,000 (2019 - £nil). These loans are interest free and have no fixed repayment terms.

## 11. Commitments under operating leases

At 30 September 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 30 September 2020 £ | *31 March 2019 £* |
|---|---|---|
| Not later than 1 year | **79,000** | *79,000* |
| Later than 1 year and not later than 5 years | **316,000** | *316,000* |
| Later than 5 years | **19,750** | *138,250* |
| | **414,750** | *533,250* |

## 12. Controlling party

The Company is a wholly owned subsidiary of Tom Kitchin Limited, a Company registered in Scotland.