Company Registration No. 02729483 (England and Wales)

PATISSERIE PATCHI LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

PAGES FOR FILING WITH REGISTRAR

PATISSERIE PATCHI LIMITED

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PATISSERIE PATCHI LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2019

		2019		2018	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**3**		6,429,492		6,114,288
Current assets					
Stocks		78,451		91,255	
Debtors	**4**	317,519		265,468	
Cash at bank and in hand		98,877		195,357	
		494,847		552,080	
Creditors: amounts falling due within one year	**5**	(1,147,761)		(1,189,114)	
Net current liabilities			(652,914)		(637,034)
Total assets less current liabilities			5,776,578		5,477,254
Creditors: amounts falling due after more than one year	**6**		(3,158,011)		(3,590,180)
Net assets			2,618,567		1,887,074
Capital and reserves					
Called up share capital	**7**		100		100
Profit and loss reserves			2,618,467		1,886,974
Total equity			2,618,567		1,887,074

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 September 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 19 February 2020 and are signed on its behalf by:

Mr E Nafa
Director

Company Registration No. 02729483

PATISSERIE PATCHI LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 October 2017		100	1,630,171	1,630,271
Year ended 30 September 2018:				
Profit and total comprehensive income for the year		-	328,803	328,803
Dividends		-	(72,000)	(72,000)
Balance at 30 September 2018		100	1,886,974	1,887,074
Year ended 30 September 2019:				
Profit and total comprehensive income for the year		-	803,493	803,493
Dividends		-	(72,000)	(72,000)
Balance at 30 September 2019		100	2,618,467	2,618,567

1 Accounting policies

Company information
Patisserie Patchi Limited is a private company limited by shares incorporated in England and Wales. The registered office is 28 Abbey Road, Park Royal, London, NW10 7SB.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 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 inflows 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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 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:

Freehold land and buildings	2% on cost of buildings
Leasehold land and buildings	Over the term of the lease
Leasehold improvements	Over the term of the lease
Plant and equipment	20% reducing balance basis
Motor vehicles	20% reducing balance basis

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 credited or charged to profit or loss.

1.4 Impairment of fixed assets

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

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.

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.

1.5 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 replacement cost and 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.

1.6 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 Accounting policies **(Continued)**

1.7 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

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 company 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. If not, they 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.

1.8 Equity instruments

Equity instruments issued by the company 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 company.

1.9 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 Accounting policies **(Continued)**

1.10 Retirement benefits

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

1.11 Leases

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

Assets held under 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 finance lease obligation. 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 48 (2018 - 44).

3 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Leasehold improvements	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 October 2018	5,873,011	-	-	695,144	129,530	6,697,685
Additions	192,000	65,000	39,367	178,500	-	474,867
At 30 September 2019	6,065,011	65,000	39,367	873,644	129,530	7,172,552
Depreciation and impairment						
At 1 October 2018	58,730	-	-	446,173	78,494	583,397
Depreciation charged in the year	62,570	867	525	85,494	10,207	159,663
At 30 September 2019	121,300	867	525	531,667	88,701	743,060
Carrying amount						
At 30 September 2019	5,943,711	64,133	38,842	341,977	40,829	6,429,492
At 30 September 2018	5,814,281	-	-	248,971	51,036	6,114,288

4 Debtors

Amounts falling due within one year:	**2019** £	**2018** £
Trade debtors	55,704	77,647
Other debtors	261,815	187,821
	317,519	265,468

5 Creditors: amounts falling due within one year

	2019 £	**2018** £
Bank loans and overdrafts	231,852	404,000
Trade creditors	281,871	238,055
Taxation and social security	95,326	3,228
Other creditors	538,712	543,831
	1,147,761	1,189,114

6 Creditors: amounts falling due after more than one year

	2019 £	**2018** £
Bank loans and overdrafts	3,158,011	3,567,572
Other creditors	-	22,608
	3,158,011	3,590,180

7 Called up share capital

	2019 £	**2018** £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

8 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	**% Rate**	**Opening balance** £	**Interest charged** £	**Closing balance** £
Mr A Ghoul -	4.00	177,641	7,106	184,747
Mr E Nafa -	4.00	24,296	972	25,268

8 Directors' transactions **(Continued)**

	201,937	8,078	210,015

9 Controlling party

The company is controlled by Mr A Ghoul and Mr E Nafa.