

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

FOR

SMITH & WESTERN RESTAURANTS LTD

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 30 June 2024

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Consolidated Income Statement	10
Consolidated Other Comprehensive Income	11
Consolidated Balance Sheet	12
Company Balance Sheet	13
Consolidated Statement of Changes in Equity	15
Company Statement of Changes in Equity	16
Consolidated Cash Flow Statement	17
Notes to the Consolidated Cash Flow Statement	18
Notes to the Consolidated Financial Statements	19

SMITH & WESTERN RESTAURANTS LTD

COMPANY INFORMATION
for the Year Ended 30 June 2024

DIRECTORS:

T T Cox
Ms S Cox

REGISTERED OFFICE:

First Floor
8b Lonsdale Gardens
Tunbridge Well
Kent
TN1 1NU

REGISTERED NUMBER:

06145360 (England and Wales)

AUDITORS:

Waight & Company Ltd
Statutory Auditors
8 Lonsdale Gardens
Tunbridge Wells
Kent
TN1 1NU

GROUP STRATEGIC REPORT
for the Year Ended 30 June 2024

The directors present their strategic report of the company and the group for the year ended 30 June 2024.

The Smith and Western Group operates seven locations across the South East of England. The principal activity of these locations is of restaurants providing Wild West inspired barbeque and grilled food.

REVIEW OF BUSINESS

The group has grown organically using retained profits since its inception in 1995 allowing it to open restaurants in the following locations:

Horsham - 1995

Boxhill - 2001

Chichester - 1998

Lingfield - 2007

Tunbridge Wells - 2009

Tilgate Park - 2012

Addlestone - 2019

Each of the seven sites trades as a limited company and are wholly owned subsidiaries of the parent company, Smith and Western Restaurants Limited.

The Ukraine War caused considerable increases to utility prices, not just in the business sector but to the general public as well. This 'Cost of Living Crisis' greatly impacted the hospitality industry over the course of 2023 with the public having less discretionary income.

Improved confidence in public spending over the course of 2024 has seen the Group's turnover increase. Unlike 2023, this increase has allowed the Group to alleviate the pressure of increased costs and return to making a profit.

Key Performance Indicators:

	2024	2023
£ £		
Turnover	14,631,812	12,999,269
Gross Profit	4,595,913	3,583,246
Gross Profit Rate (% of turnover)	31.4%	27.6%
Direct Wages	5,073,866	4,612,961
Direct Wages Rate (% of turnover)	34.7%	35.5%

The Group saw an increase in revenue attributed to improved public spending post 'Cost of Living Crisis' from £14.6m (2023 - £13.0m), an increase of 12.56%. Tighter monitoring of purchases and wages have led to improvements in margins. Costs such as rent, rates and water along with light and heat have levelled out in 2024 following increases in 2023 which impacted net profits.

The results of 2024 reflect a favourable reaction to the poor outcome of 2023. Cost cutting exercises, along with renewed pricing and marketing can be seen to have benefitted the 2024 figures.

GROUP STRATEGIC REPORT
for the Year Ended 30 June 2024

PRINCIPAL RISKS AND UNCERTAINTIES

There is always a risk with restaurants in respect of food hygiene, leading to potential closures or reduced trade due to poor reputation. Smith and Western endeavours to maintain high standards and will deal with any matters highlighted by the Food Standards Agency immediately.

With the restaurants providing opportunities of employment non-skilled labour, there is an increased risk of employing individuals who do not have right to work in the UK. Smith and Western take the responsibility to prevent illegal working in the UK very seriously. A dedicated legal department is in place to carry out right to work checks on all new employees to mitigate this risk.

ON BEHALF OF THE BOARD:

T T Cox - Director

20 February 2025

REPORT OF THE DIRECTORS
for the Year Ended 30 June 2024

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2024.

DIVIDENDS

No interim dividends were paid during the year ended 30 June 2024.

The directors recommend final dividends per share as follows:

Ordinary £1 shares	33333
Redeemable Preference £1 shares	NIL

The total distribution of dividends for the year ended 30 June 2024 will be £ 300,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2023 to the date of this report.

T T Cox
Ms S Cox

ENGAGEMENT WITH EMPLOYEES

We endeavour to encourage a work environment that is fair, open and communicative to allow our employees to air their opinions, express any ideas and voice any issues they may have. Our employees have performance reviews at least once a year, which includes consideration of skills development and career prospects. We aim to retain, develop and promote our best staff, offering training and development opportunities.

An equal opportunities policy is in place to cover our diverse workforce. We aim to employ people who reflect the varying nature of our society and value people and their contribution irrespective of age, sex, disability, sexual orientation, race, colour, religion, marital status or ethnic origin.

We do not tolerate harassment or bullying in any shape or form. Procedures are in place to respond to accusations of workplace discrimination, harassment and victimisation. An employee grievance procedure is in operation and the policy is communicated to all personnel.

Applications from disabled persons are given full consideration providing the disability does not seriously affect the performance of their duties. Such persons, once employed, are given appropriate training, support and equal opportunities, as is the case where an employee becomes disabled when employed by the Group.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 company and the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

REPORT OF THE DIRECTORS
for the Year Ended 30 June 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Waight & Company Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

T T Cox - Director

20 February 2025

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SMITH & WESTERN RESTAURANTS LTD

Opinion

We have audited the financial statements of Smith & Western Restaurants Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2024 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of 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 of the parent company affairs as at 30 June 2024 and of the group's profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 the 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SMITH & WESTERN RESTAURANTS LTD**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on pages four and five, 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 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 group's and 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SMITH & WESTERN RESTAURANTS LTD**

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Officers and other management (as required by auditing standards). It was determined that the most significant are Companies Act 2006, Health & Safety, food hygiene laws and Minimum Wage and Right to Work regulations.
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting and taxation legislation.
- We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the Officers.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SMITH & WESTERN RESTAURANTS LTD**

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 a Report of the Auditors 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.

Peter Waight (Senior Statutory Auditor)
for and on behalf of Waight & Company Ltd
Statutory Auditors
8 Lonsdale Gardens
Tunbridge Wells
Kent
TN1 1NU

26 February 2025

CONSOLIDATED INCOME STATEMENT
for the Year Ended 30 June 2024

	Notes	30.6.24 £	30.6.23 £
TURNOVER		14,631,812	12,999,269
Cost of sales		<u>10,035,899</u>	<u>9,416,023</u>
GROSS PROFIT		4,595,913	3,583,246
Administrative expenses		<u>3,704,632</u>	<u>3,917,132</u>
		891,281	(333,886)
Other operating income		<u>32,218</u>	<u>-</u>
OPERATING PROFIT/(LOSS)	5	923,499	(333,886)
Interest receivable and similar income		<u>8,360</u>	<u>5,878</u>
		931,859	(328,008)
Interest payable and similar expenses	6	<u>4,092</u>	<u>6,102</u>
PROFIT/(LOSS) BEFORE TAXATION		927,767	(334,110)
Tax on profit/(loss)	7	<u>283,861</u>	<u>(1,992)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>643,906</u>	<u>(332,118)</u>
Profit/(loss) attributable to:			
Owners of the parent		<u>643,906</u>	<u>(332,118)</u>

The notes form part of these financial statements

CONSOLIDATED OTHER COMPREHENSIVE INCOME
for the Year Ended 30 June 2024

	Notes	30.6.24 £	30.6.23 £
PROFIT/(LOSS) FOR THE YEAR		643,906	(332,118)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		<u>643,906</u>	
Prior year adjustment			<u>(16,702)</u>
TOTAL COMPREHENSIVE INCOME			
SINCE LAST ANNUAL REPORT			<u>(348,820)</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>643,906</u>	<u>(348,820)</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET

30 June 2024

	Notes	30.6.24 £	£	30.6.23 £	£
FIXED ASSETS					
Intangible assets	10		675,003		720,003
Tangible assets	11		1,033,781		1,038,087
Investments	12		-		-
			<u>1,708,784</u>		<u>1,758,090</u>
CURRENT ASSETS					
Stocks	13	168,396		171,806	
Debtors	14	2,435,685		1,895,745	
Cash at bank and in hand		<u>930,973</u>		<u>696,950</u>	
		3,535,054		2,764,501	
CREDITORS					
Amounts falling due within one year	15	<u>2,622,108</u>		<u>2,363,801</u>	
NET CURRENT ASSETS			<u>912,946</u>		<u>400,700</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,621,730		2,158,790
CREDITORS					
Amounts falling due after more than one year	16		(554,073)		(465,430)
PROVISIONS FOR LIABILITIES	20		<u>(160,281)</u>		<u>(129,890)</u>
NET ASSETS			<u>1,907,376</u>		<u>1,563,470</u>
CAPITAL AND RESERVES					
Called up share capital	21		9		9
Retained earnings	22		<u>1,907,367</u>		<u>1,563,461</u>
SHAREHOLDERS' FUNDS			<u>1,907,376</u>		<u>1,563,470</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20 February 2025 and were signed on its behalf by:

T T Cox - Director

Ms S Cox - Director

SMITH & WESTERN RESTAURANTS LTD (REGISTERED NUMBER: 06145360)**COMPANY BALANCE SHEET****30 June 2024**

	Notes	30.6.24 £	£	30.6.23 £	£
FIXED ASSETS					
Intangible assets	10		675,003		720,003
Tangible assets	11		116,023		6,749
Investments	12		450,600		450,600
			<u>1,241,626</u>		<u>1,177,352</u>
CURRENT ASSETS					
Debtors	14	2,523,496		2,010,617	
Cash at bank and in hand		<u>623,789</u>		<u>525,174</u>	
		3,147,285		2,535,791	
CREDITORS					
Amounts falling due within one year	15	<u>3,669,353</u>		<u>3,017,877</u>	
NET CURRENT LIABILITIES			<u>(522,068)</u>		<u>(482,086)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			719,558		695,266
CREDITORS					
Amounts falling due after more than one year	16		(554,073)		(465,430)
PROVISIONS FOR LIABILITIES	20		<u>(29,006)</u>		<u>(1,282)</u>
NET ASSETS			<u>136,479</u>		<u>228,554</u>

The notes form part of these financial statements

SMITH & WESTERN RESTAURANTS LTD (REGISTERED NUMBER: 06145360)

COMPANY BALANCE SHEET - continued

30 June 2024

	Notes	30.6.24 £	£	30.6.23 £	£
CAPITAL AND RESERVES					
Called up share capital	21		9		9
Retained earnings	22		136,470		228,545
SHAREHOLDERS' FUNDS			<u>136,479</u>		<u>228,554</u>
Company's profit for the financial year			<u>207,925</u>		<u>671,672</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20 February 2025 and were signed on its behalf by:

Ms S Cox - Director

T T Cox - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2024

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2022	3	2,362,281	2,362,284
Prior year adjustment	-	(16,702)	(16,702)
As restated	<u>3</u>	<u>2,345,579</u>	<u>2,345,582</u>
Changes in equity			
Issue of share capital	6	-	6
Dividends	-	(450,000)	(450,000)
Total comprehensive income	-	(332,118)	(332,118)
Balance at 30 June 2023	<u>9</u>	<u>1,563,461</u>	<u>1,563,470</u>
Changes in equity			
Dividends	-	(300,000)	(300,000)
Total comprehensive income	-	643,906	643,906
Balance at 30 June 2024	<u>9</u>	<u>1,907,367</u>	<u>1,907,376</u>

COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2024

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2022	3	6,873	6,876
Changes in equity			
Issue of share capital	6	-	6
Dividends	-	(450,000)	(450,000)
Total comprehensive income	-	671,672	671,672
Balance at 30 June 2023	<u>9</u>	<u>228,545</u>	<u>228,554</u>
Changes in equity			
Dividends	-	(300,000)	(300,000)
Total comprehensive income	-	207,925	207,925
Balance at 30 June 2024	<u>9</u>	<u>136,470</u>	<u>136,479</u>

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 30 June 2024

	Notes	30.6.24 £	30.6.23 £
Cash flows from operating activities			
Cash generated from operations	1	742,888	(1,130,665)
Interest element of hire purchase payments paid		(1,840)	(3,850)
Tax paid		(268,099)	37,541
Net cash from operating activities		<u>472,949</u>	<u>(1,096,974)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(38,260)	(75,528)
Interest received		8,360	5,878
Net cash from investing activities		<u>(29,900)</u>	<u>(69,650)</u>
Cash flows from financing activities			
Capital repayments in year		(3,560)	(1,007)
Amount introduced by directors		517,664	250,990
Amount withdrawn by directors		(423,130)	(137,689)
Share issue		-	6
Equity dividends paid		(300,000)	(450,000)
Net cash from financing activities		<u>(209,026)</u>	<u>(337,700)</u>
Increase/(decrease) in cash and cash equivalents		<u>234,023</u>	<u>(1,504,324)</u>
Cash and cash equivalents at beginning of year	2	696,950	2,201,274
Cash and cash equivalents at end of year	2	<u><u>930,973</u></u>	<u><u>696,950</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 30 June 2024**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.6.24	30.6.23
	£	£
Profit/(loss) before taxation	927,767	(334,110)
Depreciation charges	198,018	191,741
Finance costs	4,092	6,102
Finance income	(8,360)	(5,878)
	<u>1,121,517</u>	<u>(142,145)</u>
Decrease/(increase) in stocks	3,410	(31,603)
Increase in trade and other debtors	(476,198)	(1,017,566)
Increase in trade and other creditors	94,159	60,649
Cash generated from operations	<u><u>742,888</u></u>	<u><u>(1,130,665)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2024

	30.6.24	1.7.23
	£	£
Cash and cash equivalents	<u>930,973</u>	<u>696,950</u>

Year ended 30 June 2023

	30.6.23	1.7.22
	£	£
Cash and cash equivalents	<u>696,950</u>	<u>2,201,274</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.23	Cash flow	At 30.6.24
	£	£	£
Net cash			
Cash at bank and in hand	<u>696,950</u>	<u>234,023</u>	<u>930,973</u>
	<u>696,950</u>	<u>234,023</u>	<u>930,973</u>
Debt			
Finance leases	(9,162)	(106,890)	(116,052)
Debts falling due after 1 year	<u>(459,502)</u>	<u>(2,252)</u>	<u>(461,754)</u>
	<u>(468,664)</u>	<u>(109,142)</u>	<u>(577,806)</u>
Total	<u><u>228,286</u></u>	<u><u>124,881</u></u>	<u><u>353,167</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 30 June 2024

1. STATUTORY INFORMATION

Smith & Western Restaurants Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Revenue represents sales from the restaurants, including food, drinks, merchandise sales and hotel room accommodation (excluding value added tax and other sales taxes). Sales are recognised at the point of completion of a transaction with the customer.

Goodwill and intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Goodwill, being the amount paid in connection with the incorporation of the partnership for the restaurant at Boxhill in 2019, is being amortised over the course of the twenty year leasehold in place at the date of acquisition.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Long leasehold	- over the lease term
Improvements to property	- 5% on cost and Straight line over 25 years
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is based on the purchase cost on a first-in, first-out basis. Stock comprises of food, drink and items that are utilised in the rendering of services to customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, including credit and debit card receipts awaiting clearance into a Company bank account.

Financial instruments

Financial assets and liabilities are recognised when the Company has become a party to the contractual provisions of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire.

Financial Assets

Financial assets comprise cash and cash equivalents and other receivables. The Company classifies all of its financial assets as assets at amortised cost. Financial assets at amortised cost are initially recognised at fair value net of any transaction cost directly attributable to their acquisition, less any provision for impairment.

Financial Liabilities

Financial liabilities comprise borrowings, lease liabilities and trade and other payables. The Company classifies all of its financial liabilities as liabilities at amortised cost. Financial liabilities at amortised cost are initially recognised at fair value net of any transaction cost directly attributable to the issue of the instrument.

Provisions

Provisions are recognised when the Company has a present legal obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated. Where the effect of the time value of money is material, the provision is based on the present value of future outflows, discounted at a risk-free rate.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements had a significant effect in the amounts recognised in the financial statements:

Useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimate useful lives of property, plant and equipment are reviewed periodically and re-updated if expectations differ from previous estimates due to physical wear and tear, technical obsolescence and legal or other limits on use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by the changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the useful lives of property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

Impairment of goodwill

The Company determines whether goodwill is impaired at least on an annual basis. This requires an estimate of the value-in-use to which the goodwill is allocated. Estimating a value-in-use requires management to make an estimation of future cash flows and also choose a suitable discount rate in order to calculate the present value of those cash flows

Deferred tax

Deferred tax assets and liabilities require management judgement in determining the amounts, if any, to be recognised. Judgement is required in assessing the extent to which the assets and liabilities should be recognised, taking into account the expected timing and levels of future taxable income. Deferred tax assets are only recognised when management believes it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024****4. EMPLOYEES AND DIRECTORS**

	30.6.24	30.6.23
	£	£
Wages and salaries	5,328,752	4,947,462
Social security costs	332,515	326,146
Other pension costs	75,336	72,076
	<u>5,736,603</u>	<u>5,345,684</u>

The average number of employees during the year was as follows:

	30.6.24	30.6.23
Office and admin	18	19
Bar and restaurant	495	446
	<u>513</u>	<u>465</u>

Amounts paid to Key Management Personnel, aside from those members of Key Management Personnel that were also Directors during the period, totalled £88,310 (2023 - £82,557).

	30.6.24	30.6.23
	£	£
Directors' remuneration	<u>30,504</u>	<u>37,776</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>-</u>
------------------------	----------	----------

5. OPERATING PROFIT/(LOSS)

The operating profit (2023 - operating loss) is stated after charging:

	30.6.24	30.6.23
	£	£
Depreciation - owned assets	141,840	144,492
Depreciation - assets on hire purchase contracts	11,176	2,249
Goodwill amortisation	<u>45,000</u>	<u>45,000</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.24	30.6.23
	£	£
Hire purchase	1,840	3,850
Preference share dividends	<u>2,252</u>	<u>2,252</u>
	<u>4,092</u>	<u>6,102</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024**7. TAXATION****Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	30.6.24 £	30.6.23 £
Current tax:		
UK corporation tax	253,470	14,597
Deferred tax	30,391	(16,589)
Tax on profit/(loss)	<u>283,861</u>	<u>(1,992)</u>

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.24 £	30.6.23 £
Profit/(loss) before tax	<u>927,767</u>	<u>(334,110)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 25 % (2023 - 19 %)	231,942	(63,481)
Effects of:		
Expenses not deductible for tax purposes	8,529	8,563
Capital allowances in excess of depreciation (including not qualifying assets)	41,326	30,104
Interest and charges	12,886	14,597
Unused tax losses carried forward	-	8,225
Utilised tax losses brought forward	(10,822)	-
Total tax charge/(credit)	<u>283,861</u>	<u>(1,992)</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	30.6.24 £	30.6.23 £
Ordinary shares of £1 each		
Final	<u>300,000</u>	<u>450,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

10. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 July 2023
and 30 June 2024

1,230,817

AMORTISATION

At 1 July 2023
Amortisation for year
At 30 June 2024

510,814
45,000
555,814

NET BOOK VALUE

At 30 June 2024
At 30 June 2023

675,003
720,003

Company

Goodwill
£

COST

At 1 July 2023
and 30 June 2024

900,003

AMORTISATION

At 1 July 2023
Amortisation for year
At 30 June 2024

180,000
45,000
225,000

NET BOOK VALUE

At 30 June 2024
At 30 June 2023

675,003
720,003

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

11. TANGIBLE FIXED ASSETS

Group

	Long leasehold £	Improvements to property £	Plant and machinery £
COST			
At 1 July 2023	254,915	819,148	995,724
Additions	-	-	-
At 30 June 2024	<u>254,915</u>	<u>819,148</u>	<u>995,724</u>
DEPRECIATION			
At 1 July 2023	254,915	411,306	741,081
Charge for year	-	45,345	37,913
At 30 June 2024	<u>254,915</u>	<u>456,651</u>	<u>778,994</u>
NET BOOK VALUE			
At 30 June 2024	<u>-</u>	<u>362,497</u>	<u>216,730</u>
At 30 June 2023	<u>-</u>	<u>407,842</u>	<u>254,643</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 July 2023	744,391	15,997	2,830,175
Additions	28,260	120,450	148,710
At 30 June 2024	<u>772,651</u>	<u>136,447</u>	<u>2,978,885</u>
DEPRECIATION			
At 1 July 2023	375,538	9,248	1,792,088
Charge for year	58,582	11,176	153,016
At 30 June 2024	<u>434,120</u>	<u>20,424</u>	<u>1,945,104</u>
NET BOOK VALUE			
At 30 June 2024	<u>338,531</u>	<u>116,023</u>	<u>1,033,781</u>
At 30 June 2023	<u>368,853</u>	<u>6,749</u>	<u>1,038,087</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024**11. TANGIBLE FIXED ASSETS - continued****Group**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 July 2023	15,997
Additions	120,450
At 30 June 2024	136,447
DEPRECIATION	
At 1 July 2023	9,248
Charge for year	11,176
At 30 June 2024	20,424
NET BOOK VALUE	
At 30 June 2024	116,023
At 30 June 2023	6,749

Company

	Motor vehicles £
COST	
At 1 July 2023	15,997
Additions	120,450
At 30 June 2024	136,447
DEPRECIATION	
At 1 July 2023	9,248
Charge for year	11,176
At 30 June 2024	20,424
NET BOOK VALUE	
At 30 June 2024	116,023
At 30 June 2023	6,749

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024**11. TANGIBLE FIXED ASSETS - continued****Company**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 July 2023	15,997
Additions	120,450
At 30 June 2024	136,447
DEPRECIATION	
At 1 July 2023	9,248
Charge for year	11,176
At 30 June 2024	20,424
NET BOOK VALUE	
At 30 June 2024	116,023
At 30 June 2023	6,749

12. FIXED ASSET INVESTMENTS**Company**

	Shares in group undertakings £
COST	
At 1 July 2023 and 30 June 2024	450,600
NET BOOK VALUE	
At 30 June 2024	450,600
At 30 June 2023	450,600

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024**12. FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries**Smith & Western (Chichester) Ltd**

Registered office: 1st Floor 8b Lonsdale Gardens, Tunbridge Wells, Kent, England, TN1 1NU

Nature of business: Restaurant

	%
Class of shares:	holding
Ordinary	100.00

Smith & Western Lingfield Ltd

Registered office: 1st Floor 8b Lonsdale Gardens, Tunbridge Wells, Kent, England, TN1 1NU

Nature of business: Restaurant

	%
Class of shares:	holding
Ordinary	100.00

Smith & Western (Tunbridge Wells) Ltd

Registered office: 1st Floor 8b Lonsdale Gardens, Tunbridge Wells, Kent, England, TN1 1NU

Nature of business: Restaurant

	%
Class of shares:	holding
Ordinary	100.00

Smith & Western (Boxhill) Ltd

Registered office: 1st Floor 8b Lonsdale Gardens, Tunbridge Wells, Kent, England, TN1 1NU

Nature of business: Restaurant

	%
Class of shares:	holding
Ordinary	100.00

Smith & Western (Tilgate) Ltd

Registered office: 8 Lonsdale Gardens, Tunbridge Wells, Kent, England, TN1 1NU

Nature of business: Restaurant

	%
Class of shares:	holding
Ordinary	100.00

Smith & Western (Addlestone) Ltd

Registered office: 1st Floor 8b Lonsdale Gardens, Tunbridge Wells, Kent, England, TN1 1NU

Nature of business: Restaurant

	%
Class of shares:	holding
Ordinary	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024**12. FIXED ASSET INVESTMENTS - continued****Smith & Western (Horsham) Ltd**

Registered office: 1st Floor 8b Lonsdale Gardens, Tunbridge Wells, Kent, England, TN1 1NU

Nature of business: Restaurant

Class of shares:	% holding
Ordinary	100.00

13. STOCKS

	Group	
	30.6.24	30.6.23
	£	£
Stocks	<u>168,396</u>	<u>171,806</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.24	30.6.23	30.6.24	30.6.23
	£	£	£	£
Amounts owed by group undertakings	-	-	162,054	191,237
Other debtors	1,961,241	1,515,946	1,954,965	1,510,622
Directors' current accounts	43,055	137,589	43,055	137,589
Tax	329,447	171,169	329,447	171,169
VAT	-	-	16,975	-
Prepayments and accrued income	90,416	71,041	17,000	-
Prepayments	<u>11,526</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,435,685</u>	<u>1,895,745</u>	<u>2,523,496</u>	<u>2,010,617</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.24	30.6.23	30.6.24	30.6.23
	£	£	£	£
Hire purchase contracts (see note 18)	23,733	3,234	23,733	3,234
Trade creditors	798,879	823,069	95,758	27,841
Amounts owed to group undertakings	-	-	3,124,985	2,646,251
Tax	602,978	459,329	361,759	310,820
Social security and other taxes	76,531	67,503	14,054	11,309
VAT	580,392	509,717	-	-
Other creditors	64,989	123,365	32,358	5,957
Accrued expenses	<u>474,606</u>	<u>377,584</u>	<u>16,706</u>	<u>12,465</u>
	<u>2,622,108</u>	<u>2,363,801</u>	<u>3,669,353</u>	<u>3,017,877</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	30.6.24	30.6.23	30.6.24	30.6.23
	£	£	£	£
Preference shares (see note 17)	461,754	459,502	461,754	459,502
Hire purchase contracts (see note 18)	92,319	5,928	92,319	5,928
	<u>554,073</u>	<u>465,430</u>	<u>554,073</u>	<u>465,430</u>

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.6.24	30.6.23	30.6.24	30.6.23
	£	£	£	£
Amounts falling due between two and five years:				
Preference shares	<u>461,754</u>	<u>459,502</u>	<u>461,754</u>	<u>459,502</u>

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:		Nominal value:	30.6.24	30.6.23
Number:	Class:		£	£
540,003	Redeemable Preference	£1	<u>461,754</u>	<u>459,502</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	30.6.24	30.6.23
	£	£
Gross obligations repayable:		
Within one year	25,981	4,632
Between one and five years	95,591	8,492
	<u>121,572</u>	<u>13,124</u>
Finance charges repayable:		
Within one year	2,248	1,398
Between one and five years	3,272	2,564
	<u>5,520</u>	<u>3,962</u>
Net obligations repayable:		
Within one year	23,733	3,234
Between one and five years	92,319	5,928
	<u>116,052</u>	<u>9,162</u>

Company

	Hire purchase contracts	
	30.6.24	30.6.23
	£	£
Gross obligations repayable:		
Within one year	25,981	4,632
Between one and five years	95,591	8,492
	<u>121,572</u>	<u>13,124</u>
Finance charges repayable:		
Within one year	2,248	1,398
Between one and five years	3,272	2,564
	<u>5,520</u>	<u>3,962</u>
Net obligations repayable:		
Within one year	23,733	3,234
Between one and five years	92,319	5,928
	<u>116,052</u>	<u>9,162</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

18. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	30.6.24	30.6.23
	£	£
Within one year	405,859	278,759
Between one and five years	568,877	432,666
	<u>974,736</u>	<u>711,425</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	30.6.24	30.6.23	30.6.24	30.6.23
	£	£	£	£
Hire purchase contracts	<u>116,052</u>	<u>9,162</u>	<u>116,052</u>	<u>9,162</u>

A mortgage debenture is held in the name of the company, incorporation a fixed and floating charge over the assets, dated 29/06/2021

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	30.6.24	30.6.23	30.6.24	30.6.23
	£	£	£	£
Deferred tax	<u>160,281</u>	<u>129,890</u>	<u>29,006</u>	<u>1,282</u>

Group

	Deferred tax
	£
Balance at 1 July 2023	129,890
Charge to Income Statement during year	30,391
Balance at 30 June 2024	<u>160,281</u>

Company

	Deferred tax
	£
Balance at 1 July 2023	1,282
Charge to Income Statement during year	27,724
Balance at 30 June 2024	<u>29,006</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024****21. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.24	30.6.23
			£	£
9	Ordinary	£1	<u>9</u>	<u>9</u>

22. RESERVES**Group**Retained
earnings
£

At 1 July 2023	1,563,461
Profit for the year	643,906
Dividends	<u>(300,000)</u>
At 30 June 2024	<u>1,907,367</u>

CompanyRetained
earnings
£

At 1 July 2023	228,545
Profit for the year	207,925
Dividends	<u>(300,000)</u>
At 30 June 2024	<u>136,470</u>

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Included in debtors is a joint directors loan account of £43,055 (2023 - £137,589).

During the year, amounts totalling £205,466 were added to the loan and £300,000 was repaid. No amounts have been waived or written off.

No interest is accrued on the loan which is repayable on demand.

24. RELATED PARTY DISCLOSURES**Other related parties**

	30.6.24	30.6.23
	£	£
Amount due from related parties	<u>1,928,701</u>	<u>1,488,422</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

24. RELATED PARTY DISCLOSURES - continued

Other debtors includes the following related party balances:

- £1,166,470 (2023 - £744,840) from Smith and Western Horsham Partnership, a partnership in which the directors are partners
- £266,678 (2023 - £457,760) from Smith and Western Tunbridge Wells Partnership, a partnership in which the directors are partners
- £495,553 (2023 - £285,822) from TJS Ryka Ltd, a company owned by the directors.

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.