

Company registration number 00408009 (England and Wales)

LE CORDON BLEU LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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LE CORDON BLEU LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | A A M F Cointreau Le Cordon Bleu International BV |
| Company number | 00408009 |
| Registered office | 15 Bloomsbury Square London WC1A 2LS |
| Auditor | Grunberg & Co Limited 5 Technology Park Colindeep Lane Colindale London United Kingdom NW9 6BX |

LE CORDON BLEU LIMITED

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LE CORDON BLEU LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their strategic report for the group headed by Le Cordon Bleu Limited for the year ended 31 December 2023, which includes the statement of corporate governance and internal control for that year and up to the date of approval of the financial statements.

Review of the business

Le Cordon Bleu Limited has amongst its primary objectives the development of excellence in training, education and related fields and the enhancement of the reputation of the trade name and trademark "Le Cordon Bleu". The company achieves this objective through disseminating the culinary savoir-faire of the best master chefs in its state of the art facility in Bloomsbury Square, London. It also delivers higher education courses in Restaurant and Hospitality management and nutrition. The company is committed to promoting the highest ethical behaviour of all employees and establishing sound business practices generating sufficient financial returns to allow development of its educational programme, investment in its staff and in its community responsibilities.

Le Cordon Bleu Limited's activities include training and education in the culinary and hospitality management fields. The world famous Le Cordon Bleu academies and institutes of classical French cuisine and patisserie originated in Paris in 1895 and have subsequently expanded into the domain of hospitality education, with establishments opened or in the process of opening in other parts of the world including London, England (1933), North America (1988), Tokyo, Japan (1991), Sydney, Australia (1996), Mexico (1998), Adelaide, Australia (1999, Degree in Restaurant & Hospitality Management), Central America (2000, Degree in Hospitality), USA (2000, Associate Degree in Restaurant Management and 2004 Degree in Hotel and Restaurant Management), Peru (2000, Degree in Hospitality and Culinary), Korea (2002), USA (2004, Degree in Hotel and Restaurant Management), Lebanon (2004, Degree in Hospitality), New Zealand (2006 BA in Culinary Arts), Thailand (2007), Spain (2007), Malaysia (2010), Shanghai, China (2012), Rio de Janeiro, Brazil (2012), Turkey (2012), Taiwan (2012), India (2013), Philippines (2013), Chile (2014), Sao Paulo, Brazil (2016), Beijing, China (2018), London (2017, Bachelor of Business Administration), Hôtel de la Marine (Culinary Arts Forum) Paris (2022) and Saudi Arabia (2023).

Le Cordon Bleu Limited is committed to innovation and best practice in Gastronomy, Hospitality and Management and honours its commitments through teaching, learning and research conducted in conjunction with the development of products and services. The company has continued to develop new courses and programmes. The first cohort of the BBA Culinary Industry Management, jointly delivered with Birkbeck (University of London) started in September 2018. In addition, a MSc in Culinary Innovation Management has been developed and is also being jointly delivered with Birkbeck with the first cohort having started in September 2020. The success of these two programmes has led to the development of the MSc Hospitality Innovation Management which is also jointly delivered with Birkbeck and will have its first cohort in September 2024.

The company has also developed an internship programme enabling students to have an opportunity of working in the culinary and hospitality industry to put into practice the skills learnt on its programmes and help support their future careers.

The company has responded to the increased attention in society towards lowering meat consumption and has launched in 2020 its Diploma in Plant Based Culinary Arts following on from its Diploma in Gastronomy, Nutrition & Food Trends. The success of this programme had led to the development of the Diploma in Patisserie Innovation and Wellness, which was launched in 2021.

The company, through its subsidiary Gastronomist Limited, acquired a lease at 85 Fleet Street to develop a fine dining restaurant, café and courses for private individuals and corporates. The facility opened in June 2022. The facility will also enable students to gain some practical understanding of an operating hospitality business and this has been incorporated as part of some of the courses. The feedback from students has been very positive and will be a strong point of differentiation for our courses.

LE CORDON BLEU LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Principal risks and uncertainties

The UK market remains complex and competitive and the group has responded to the challenge by providing students with new courses and internship programmes to differentiate itself further from its competitors. In addition, the development of a jointly delivered degree and Master's programmes with Birkbeck (University of London) has provided the company with new products to both enhance its reputation and increase student numbers.

One of the challenges facing all higher education providers is the UK Government's increasing regulatory requirements for international students. This will continue to prove to be a challenge for the group. However, the group through the LCB international network of schools and through experienced international agents has historically demonstrated a strength in securing students from these markets and anticipates doing so in the coming year.

Le Cordon Bleu Limited was admitted to the register of the Office for Students in 2019. This allows the company to continue to be a Study Visa sponsor and is subject to regular review and monitoring by the Office for Students. The company is subject to regular inspection from the British Accreditation Council, holds accreditation from NCFE (a national education awarding organisation) and a number of its courses are credit rated on the Scottish Credit and Qualifications Framework through the Scottish Qualifications Authority.

Another challenge for the group is the change in the visa requirements for EU students following Brexit. The group continues to monitor developments and invest in any necessary training and systems required to meet any new regulatory requirements for EU nationals looking to study in the UK.

Other key risks include the continued increase in competition with the opening of new academies and cookery schools. These are monitored by the board of directors.

The group requires full payment of course fees prior to the start of the course which significantly reduces the risk of bad debts.

The group monitors its cash flows as part of its regular control procedures. The board considers cash flow projections and ensures that appropriate facilities are available to be drawn upon as necessary. Cash flow forecasts continue to be reworked in response to changing regulatory and business environments and the group continues to take steps to mitigate costs and cash outflows during this period of uncertainty.

The group recognises its obligations to ensure development and retention of staff. This is achieved by ensuring the teaching team have appropriate qualifications and are supported with continual development to ensure they maintain teaching excellence on all courses.

The group has not experienced any impact on trading following the Russia/Ukraine conflict and does not expect, at this stage, any impact on trading going forward.

LE CORDON BLEU LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Development and performance

The performance of the Group has shown a strong recovery as COVID-19 and travel restrictions were eased allowing international students easier access to the UK. Cash at bank has decreased to £2,825k from £3,769k due to the operation of the Cord restaurant for the full period.

Financial key performance indicators

| | 2023 | 2022 |
|---------------------------------------|--------|--------|
| | £'000 | £'000 |
| Turnover from operations | 12,457 | 11,067 |
| Net result from continuing operations | (199) | (335) |
| EBITDA* | 748 | 736 |

*EBITDA has been calculated by adjusting loss before tax of £330k (2022: £312k) for depreciation of £648k (2022: £676k), net interest expense of £430k (2022: £326k) and share of loss in associated undertaking of £Nil (2022: £46k).

Turnover has increased by 12.6% compared to prior year which has resulted in slightly improved results. Group EBITDA profit was £748k compared with a Group EBITDA profit of £736k in 2022.

Despite the improvement in top line performance, a net loss was still generated in the year. The net loss reflects the continued impact of opening the new restaurant facility which is still in its early stages.

The loss has adversely affected the group's balance sheet. However, the group still has net current assets of £1,730k (2022: £2,317k) and cash balance of £2,825k (2022: £3,769k).

LE CORDON BLEU LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Other information and explanations

Statement of corporate governance and internal control

This statement of corporate governance and internal control covers the period of the financial statements and to the date of the approval of the audited financial statements. The board of directors is responsible for setting the group's long term strategy and objectives, and for overseeing its governance and system of internal control. The board receives reports from and meets with management on a regular basis to discuss financial performance, the key risks facing the business and the controls in place to mitigate these. The company has developed a Quality Manual which is provided to all staff setting out key areas such as:

- Setting and maintaining academic standards
- Quality assurance cycle
- Governance
- Terms of reference for Boards and committees such as the Academic Board, Examination Board and the Executive Committee.


The Boards and committees and control processes include external members or reviewers and provide the company with assurance on, amongst other things, the effectiveness of its systems, internal controls, academic oversight both for the development of new programmes and student progression. These committees provide feedback to the board of directors and allow concerns and issues to be addressed effectively. All staff have access to the Quality Manual and the process to raise issues with the relevant Board or Committee.

The Academic Board is the main board responsible for ensuring compliance with the Office for Student ongoing conditions of registration. The Academic Board meets at least four times a year with extraordinary meetings as required and reports back to the board of directors. The Executive Committee will normally meet on a 2 weekly basis and is a forum for reporting and communicating between all departments as well as identifying areas of improvement. The Examination Board will meet at least once a term. The board of directors feel that the system of reporting is appropriate for the size and complexity of the business allowing it to identify risk areas, ensure internal controls are in place and to ensure academic standards are maintained and checked.

Those risks and related controls are summarised in the principal risks and uncertainties section of this strategic report.

The board of directors do not consider that the size and complexity of the group warrants the establishment of an internal audit function. However, the board of directors do consider the internal control findings that arise from the external audit process and will take action to address any weaknesses that are identified. No significant control weaknesses were reported by the external auditor in relation to their audit of these financial statements.

On behalf of the board


A. M. F. Cointreau
Director

Date: 23/05/2024

LE CORDON BLEU LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Please refer to the principal risks and uncertainties within the strategic report for information in connection with the development and implementation of risk management policies.

Principal activities

The principal activity of the company and group continued to be that of the operation of the Le Cordon Bleu Culinary Arts Institute in London, providing training in cookery and related products and services. The group carries out the same activities in Shanghai, China, through an associated undertaking and operated a restaurant in London through the company's subsidiary, Gastronomist Limited.

Results and dividends

The loss for the year, after taxation, amounted to £198,728 (2022 - £335,474)

The directors do not recommend the payment of a dividend (2022 - nil)

Directors

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

A A M F Cointreau

Le Cordon Bleu International BV

Auditor

Grunberg & Co Limited were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

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

Going concern

Student booking numbers have increased and are at pre COVID levels. As mentioned above the increase burden of costs imposed on students by the UK government and the stated desire by UK government to reduce migration numbers could impact the desirability of the UK as a location for international students.

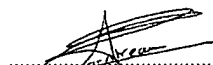
Based on current forecasts, continued accreditation of courses and alongside an undertaking of continued financial support received from the ultimate parent company, the directors are of the opinion that the group and company will be able to continue as a going concern for the foreseeable future, being a period of at least twelve months from the date of approving these financial statements.

LE CORDON BLEU LIMITED

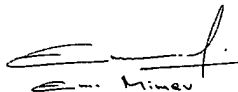
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

On behalf of the board



A. M. F. Cointreau
Director



E Minev
Accountable Officer

Date: 23/05/2024

LE CORDON BLEU LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors are responsible for preparing the Strategic Report, the Directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

LE CORDON BLEU LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LE CORDON BLEU LIMITED

Opinion

We have audited the financial statements of Le Cordon Bleu Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

LE CORDON BLEU LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LE CORDON BLEU LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we consider the following:

- the nature of the industry and sector, including the whether the financial results of our client differed from the industry trends;
- the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements;
- the matters discussed among the audit engagement team during the planning process regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit procedures performed included:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements
- discussions with the directors on their own assessment of the risks that irregularities may occur either as a result of fraud or error, their assessment of compliance with laws and regulations and whether they were aware of any instances of non-compliance, including any potential litigation or claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias
- inspection of relevant legal correspondence and board minutes; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

LE CORDON BLEU LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LE CORDON BLEU LIMITED

As a result of our assessment, it is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business. However, laws and regulations considered to have a direct effect on the financial statements included the UK Companies Act, Employment Laws, Tax and Pensions legislation and Health & Safety legislation and the requirements of the OfS.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. There is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Opinion on other matters required by the Office for Students ("OfS")

In our opinion, in all material respects:

- Funds from whatever source administered by the parent company for the specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- The requirements of the OfS Accounts Direction (OfS 2019.41) have been met.

We have nothing to report in respect of the following matters in relation to which the OfS requires us to report to you, if, in our opinion:

- The parent company's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

Use of our report

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



Herman Hang ACCA (Senior Statutory Auditor)

For and on behalf of Grunberg & Co Limited

Date: 24/05/2024.....

Chartered Accountants

Statutory Auditor

5 Technology Park
Colindeep Lane
Colindale
London
United Kingdom
NW9 6BX

LE CORDON BLEU LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

| | Notes | 2023 £ | 2022 £ |
|--|-------|-------------------|-------------------|
| Turnover | 3 | 12,456,730 | 11,067,282 |
| Cost of sales | | (301,322) | (208,069) |
| Gross profit | | 12,155,408 | 10,859,213 |
| Administrative expenses | | (12,188,603) | (10,824,444) |
| Other operating income | | 133,587 | 24,750 |
| Operating profit | 5 | 100,392 | 59,519 |
| Share of results of associates | | - | (45,673) |
| Interest receivable and similar income | 9 | 60,836 | 14,971 |
| Interest payable and similar expenses | 10 | (490,859) | (340,862) |
| Loss before taxation | | (329,631) | (312,045) |
| Tax on loss | 11 | 130,903 | (23,429) |
| Loss for the financial year | 23 | (198,728) | (335,474) |
| Other comprehensive income | | | |
| Currency translation gain arising in the year | | - | 1,810 |
| Total comprehensive income for the year | | (198,728) | (333,664) |

Loss for the financial year is all attributable to the owners of the parent company.

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

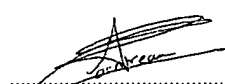
LE CORDON BLEU LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

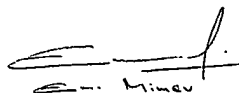
AS AT 31 DECEMBER 2023

| | | 2023 | | 2022 | |
|--|-------|---------------------|--------------------|---------------------|--------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 5,508,567 | | 6,005,048 |
| Investments | 13 | | 92 | | 92 |
| | | | <u>5,508,659</u> | | <u>6,005,140</u> |
| Current assets | | | | | |
| Stocks | 16 | 322,016 | | 250,279 | |
| Debtors | 17 | 1,639,024 | | 1,215,386 | |
| Cash at bank and in hand | | 2,824,493 | | 3,769,449 | |
| | | <u>4,785,533</u> | | <u>5,235,114</u> | |
| Creditors: amounts falling due within one year | 18 | <u>(3,055,186)</u> | | <u>(2,918,239)</u> | |
| Net current assets | | | <u>1,730,347</u> | | <u>2,316,875</u> |
| Total assets less current liabilities | | | <u>7,239,006</u> | | <u>8,322,015</u> |
| Creditors: amounts falling due after more than one year | | | | | |
| Loans and overdrafts | 19 | 5,020,157 | | 5,240,825 | |
| Deferred income | | 5,390,299 | | 6,053,912 | |
| | | <u>(10,410,456)</u> | | <u>(11,294,737)</u> | |
| Net liabilities | | | <u>(3,171,450)</u> | | <u>(2,972,722)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 22 | | 873,807 | | 873,807 |
| Share premium account | 23 | | 1,109,621 | | 1,109,621 |
| Profit and loss reserves | 23 | | (5,154,878) | | (4,956,150) |
| Total equity | | | <u>(3,171,450)</u> | | <u>(2,972,722)</u> |

The financial statements were approved by the board of directors and authorised for issue on 23/05/2024 and are signed on its behalf by:



A A M F Cointreau
Director



E Minev
Accountable Officer

Company registration number 00408009 (England and Wales)

LE CORDON BLEU LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

| | | 2023 | | 2022 | |
|--|-------|---------------------|--------------------|---------------------|--------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 3,994,555 | | 4,215,215 |
| Investments | 13 | | 155,422 | | 155,422 |
| | | | <u>4,149,977</u> | | <u>4,370,637</u> |
| Current assets | | | | | |
| Stocks | 16 | 192,219 | | 111,381 | |
| Debtors | 17 | 6,368,995 | | 4,817,212 | |
| Cash at bank and in hand | | 2,782,529 | | 3,695,369 | |
| | | <u>9,343,743</u> | | <u>8,623,962</u> | |
| Creditors: amounts falling due within one year | 18 | <u>(2,482,013)</u> | | <u>(2,418,454)</u> | |
| Net current assets | | | <u>6,861,730</u> | | <u>6,205,508</u> |
| Total assets less current liabilities | | | <u>11,011,707</u> | | <u>10,576,145</u> |
| Creditors: amounts falling due after more than one year | | | | | |
| Loans and overdrafts | 19 | 5,020,157 | | 5,240,825 | |
| Deferred income | | 5,390,299 | | 6,053,912 | |
| | | <u>(10,410,456)</u> | | <u>(11,294,737)</u> | |
| Net assets/(liabilities) | | | <u>601,251</u> | | <u>(718,592)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 22 | | 873,807 | | 873,807 |
| Share premium account | 23 | | 1,109,621 | | 1,109,621 |
| Profit and loss reserves | 23 | | <u>(1,382,177)</u> | | <u>(2,702,020)</u> |
| Total equity | | | <u>601,251</u> | | <u>(718,592)</u> |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,319,843 (2022 - £1,071,837 profit).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 23/05/2024 and are signed on its behalf by:


A A M F Cointreau
Director


E Minev
Accountable Officer

Company registration number 00408009 (England and Wales)

LE CORDON BLEU LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

| | Share capital | Share premium account | Profit and loss reserves | Total |
|-------------------------------------|---------------|-----------------------|--------------------------|-------------|
| | £ | £ | £ | £ |
| Balance at 1 January 2022 | 873,807 | 1,109,621 | (4,622,486) | (2,639,058) |
| Year ended 31 December 2022: | | | | |
| Loss for the year | - | - | (335,474) | (335,474) |
| Other comprehensive income: | | | | |
| Currency translation differences | - | - | 1,810 | 1,810 |
| Total comprehensive income | - | - | (333,664) | (333,664) |
| Balance at 31 December 2022 | 873,807 | 1,109,621 | (4,956,150) | (2,972,722) |
| Year ended 31 December 2023: | | | | |
| Loss and total comprehensive income | - | - | (198,728) | (198,728) |
| Balance at 31 December 2023 | 873,807 | 1,109,621 | (5,154,878) | (3,171,450) |

LE CORDON BLEU LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

| | Share capital | Share premium account | Profit and loss reserves | Total |
|--|---------------|-----------------------|--------------------------|-------------|
| | £ | £ | £ | £ |
| Balance at 1 January 2022 | 873,807 | 1,109,621 | (3,773,857) | (1,790,429) |
| Year ended 31 December 2022: | | | | |
| Profit and total comprehensive income for the year | - | - | 1,071,837 | 1,071,837 |
| Balance at 31 December 2022 | 873,807 | 1,109,621 | (2,702,020) | (718,592) |
| Year ended 31 December 2023: | | | | |
| Profit and total comprehensive income | - | - | 1,319,843 | 1,319,843 |
| Balance at 31 December 2023 | 873,807 | 1,109,621 | (1,382,177) | 601,251 |

LE CORDON BLEU LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|------------------|---|------------------|---|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 27 | (165,543) | | 1,248,904 | |
| Interest paid | | (467,869) | | (340,862) | |
| Net cash (outflow)/inflow from operating activities | | (633,412) | | 908,042 | |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (151,712) | | (176,007) | |
| Interest received | | 60,836 | | 14,971 | |
| Net cash used in investing activities | | (90,876) | | (161,036) | |
| Financing activities | | | | | |
| Repayment of borrowings | | (220,668) | | - | |
| Net cash used in financing activities | | (220,668) | | - | |
| Net (decrease)/increase in cash and cash equivalents | | (944,956) | | 747,006 | |
| Cash and cash equivalents at beginning of year | | 3,769,449 | | 3,022,443 | |
| Cash and cash equivalents at end of year | | 2,824,493 | | 3,769,449 | |

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Le Cordon Bleu Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is given on the Company Information page and the nature of the group's and parent company's operations and their principal activities are disclosed in the Directors' Report.

The group consists of Le Cordon Bleu Limited and its subsidiary and associate.

1.1 Accounting convention

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

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

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

Parent company disclosure exemption

In preparing the separate financial statements of the parent company, advantage has been taken of the following exemptions available to qualifying entities:

- No cash flow statement, net debt reconciliation or financial instrument disclosures have been presented for the parent company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.2 Basis of consolidation

The consolidated financial statements present the results of the company and its subsidiary ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Associates

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated financial statements, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. Any share of losses are only recognised to the extent that they do not reduce the investment balance below zero as the group has no obligations to make payments on behalf of the associate, and any share of subsequent profits shall be accounted for once the unrecognised profits are equal the unrecognised losses. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition. Any unrealised profits and losses from transactions between the group and the associate are eliminated to the extent of the group's interest in the associate.

1.3 Going concern

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

Based on current forecasts and alongside an undertaking of continued financial support received from the ultimate parent company, the directors are of the opinion that the group and company will be able to continue as a going concern for a period at least twelve months from the date of approving these financial statements.

1.4 Turnover

Turnover comprises invoiced tuition fees and the value of merchandise, café and restaurant sales net of value added tax and discounts. Fees are credited to profit or loss when the fees are earned, which in the case of tuition fees is when courses are delivered. Fees for services not provided in the financial year are credited to deferred income. Merchandise, café, and restaurant sales are recognised when the goods are transferred to the customer.

1.5 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.

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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

| | |
|---------------------------------|--|
| Leasehold property improvements | Evenly over the remaining term of the lease or the life of the improvement where lower |
| Kitchen equipment | 10% per annum straight line |
| Office equipment | 20% per annum straight line |
| Computer equipment | 33% per annum straight line |

1.6 Fixed asset investments

In the company's individual accounts, investments in subsidiaries and associates are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

1.7 Impairment of fixed assets

At each reporting period end date, the group 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.

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

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

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

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.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment due to obsolete or slow moving stock.

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.9 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.

1.10 Financial instruments

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

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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.

Derecognition of financial liabilities

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

1.11 Taxation

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

Current tax

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

Deferred tax

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

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

1.12 Retirement benefits

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. The assets of the plan are held separately from the company in independently administered funds.

1.13 Leases

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

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.14 Foreign exchange

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

On consolidation, the results of the overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at a actual rate are recognised in other comprehensive income.

1.15 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

1.16 Interest income

Interest income is recognised in profit or loss using the effective interest method.

1.17 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Going concern

In preparing these financial statements, the key judgement made by the directors has been the appropriateness of the going concern basis of preparation.

Encyclopedia development project

Costs incurred in the production of an encyclopedia have been capitalised to long term prepayments. These costs relate to staff costs for staff solely responsible for this project, as well as writing and photography costs. This balance meets the definition of an asset. These costs will be released in the future against the income received for the sale of the book.

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Useful lives of tangible fixed assets

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives, as set out in the group's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten, then depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce accordingly.

Deferred revenue

Courses are paid for by students upfront and included within deferred income. The balance is then released from deferred income into revenue when the student course takes place. The deferred revenue is reclassified as long term as it cannot be determined with certainty when the students will take the course. There is a low degree of subjectivity in allocating revenue to the correct period and as a result there is limited estimation uncertainty.

3 Turnover and other revenue

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | £ | £ |
| Turnover analysed by class of business | | |
| Culinary and management course sales and related income | 11,164,095 | 10,250,783 |
| Restaurant operations and related services | 1,292,635 | 816,499 |
| | <u>12,456,730</u> | <u>11,067,282</u> |
| | 2023 | 2022 |
| | £ | £ |
| Other revenue | | |
| Interest income | 60,836 | 14,971 |
| Other operating income | <u>133,587</u> | <u>24,750</u> |

All turnover arose within the United Kingdom.

Other operating income comprises non-refundable deposits on cancelled courses.

4 Grant and fee income

The only source of grant and fee income relate to fee income from courses of £9,155,876 (2022 - £8,306,481)

There have been no grant income from OfS or any other bodies.

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Operating profit

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | £ | £ |
| Operating profit for the year is stated after charging: | | |
| Exchange losses | 3,727 | 6,142 |
| Depreciation of owned tangible fixed assets | 648,193 | 676,733 |
| Operating lease charges | 1,097,562 | 1,010,850 |
| | <u> </u> | <u> </u> |

6 Auditor's remuneration

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | £ | £ |
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the group and company | 37,500 | 38,280 |
| Audit of the financial statements of the company's subsidiaries | 14,950 | 15,500 |
| | <u> </u> | <u> </u> |
| | 52,450 | 53,780 |
| | <u> </u> | <u> </u> |
| For other services | | |
| All other non-audit services | 5,500 | 19,174 |
| | <u> </u> | <u> </u> |

7 Employees

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

| | Group 2023 Number | 2022 Number | Company 2023 Number | 2022 Number |
|----------------------|-------------------------|-------------------|---------------------------|-------------------|
| School operation | 29 | 28 | 29 | 28 |
| Restaurant operation | 34 | 24 | 5 | 5 |
| Academic | 4 | 4 | 4 | 4 |
| Marketing | 14 | 13 | 12 | 12 |
| Finance | 16 | 14 | 15 | 13 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | 97 | 83 | 65 | 62 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Employees

(Continued)

Their aggregate remuneration comprised:

| | Group 2023 £ | 2022 £ | Company 2023 £ | 2022 £ |
|-----------------------|--------------------|------------------|----------------------|------------------|
| Wages and salaries | 3,545,256 | 2,912,117 | 2,569,152 | 2,343,529 |
| Social security costs | 384,878 | 323,671 | 290,545 | 267,574 |
| Pension costs | 96,618 | 73,534 | 68,072 | 61,416 |
| | <u>4,026,752</u> | <u>3,309,322</u> | <u>2,927,769</u> | <u>2,672,519</u> |

There are 2 employees (2022: 1) with a full-time equivalent basic salary of over £100,000 per annum, split as follows:

| | 2023 | 2022 |
|----------------------|------------|------------|
| £100,000 - £104,999: | 1 employee | 1 employee |
| £105,000 - £109,999: | 1 employee | None |

8 Directors' remuneration

| | 2023 £ | 2022 £ |
|---|---------------|---------------|
| Remuneration for qualifying services | 70,567 | 64,019 |
| Company pension contributions to defined contribution schemes | 2,012 | 1,921 |
| | <u>72,579</u> | <u>65,940</u> |

During the year retirement benefits were accruing to 1 director (2022: 1) in respect of defined contribution pension schemes.

Total remuneration paid to the three Key Management Personnel during the year is £287,287 (2022: £290,014)

| Head of provider | 2023 £ | 2022 £ |
|---------------------------|----------------|----------------|
| Salary | 108,580 | 118,176 |
| Pension contribution | 3,152 | 3,009 |
| Total remuneration | <u>111,732</u> | <u>121,185</u> |

The remuneration package of the head of the provider is set by the board of directors with reference to commercial rates of pay within the group's sector. The group operates within the independent higher education sector. The remuneration has external review to ensure it is consistent with the industry rates and reflects the performance of the company.

The board of directors feel that the overall remuneration is justified given the financial performance of the company.

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Directors' remuneration

(Continued)

The head of the provider's basic salary is 3.82 times (2022: 3.92) the median basic salary of staff, where the median basic salary is calculated on a full-time basis.

The head of the provider's total remuneration is 3.88 times (2022: 4.59) the median total remuneration of staff, where the median total remuneration is calculated on a full-time basis.

9 Interest receivable and similar income

| | 2023 | 2022 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Interest income | | |
| Interest on bank deposits | 60,836 | 14,971 |
| | <u>60,836</u> | <u>14,971</u> |

10 Interest payable and similar expenses

| | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Interest payable to group undertakings | 490,784 | 340,862 |
| Other interest on financial liabilities | 75 | - |
| | <u>490,859</u> | <u>340,862</u> |
| Total finance costs | 490,859 | 340,862 |

11 Taxation

| | 2023 | 2022 |
|--|------------------|---------------|
| | £ | £ |
| Deferred tax | | |
| Origination and reversal of timing differences | (130,903) | 23,429 |
| | <u>(130,903)</u> | <u>23,429</u> |

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Taxation

(Continued)

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

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Loss before taxation | (329,631) | (312,045) |
| Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%) | (82,408) | (59,289) |
| Tax effect of expenses that are not deductible in determining taxable profit | (2,172) | 985 |
| Tax effect of utilisation of tax losses not previously recognised | - | 80,445 |
| Change in unrecognised deferred tax assets | (5,182) | - |
| Adjustments in respect of prior years | - | (149) |
| Effect of change in corporation tax rate | - | 5,659 |
| Permanent capital allowances in excess of depreciation | - | (4,222) |
| Fixed asset timing differences | 49,583 | - |
| Movement in recognised deferred tax asset | (90,724) | - |
| Taxation (credit)/charge | (130,903) | 23,429 |

12 Tangible fixed assets

| Group | Leasehold property improvements £ | Kitchen equipment £ | Office equipment £ | Computer equipment £ | Total £ |
|------------------------------------|--|---------------------------|--------------------------|----------------------------|------------|
| Cost | | | | | |
| At 1 January 2023 | 8,650,662 | 2,377,618 | 681,347 | 565,042 | 12,274,669 |
| Additions | - | 37,563 | 101,865 | 12,284 | 151,712 |
| At 31 December 2023 | 8,650,662 | 2,415,181 | 783,212 | 577,326 | 12,426,381 |
| Depreciation and impairment | | | | | |
| At 1 January 2023 | 3,626,337 | 1,718,314 | 409,110 | 515,860 | 6,269,621 |
| Depreciation charged in the year | 437,234 | 93,896 | 91,824 | 25,239 | 648,193 |
| At 31 December 2023 | 4,063,571 | 1,812,210 | 500,934 | 541,099 | 6,917,814 |
| Carrying amount | | | | | |
| At 31 December 2023 | 4,587,091 | 602,971 | 282,278 | 36,227 | 5,508,567 |
| At 31 December 2022 | 5,024,325 | 659,304 | 272,237 | 49,182 | 6,005,048 |

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Tangible fixed assets (Continued)

| Company | Leasehold property improvements | Kitchen equipment | Office equipment | Computer equipment | Total |
|------------------------------------|---------------------------------------|----------------------|---------------------|-----------------------|------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 January 2023 | 7,409,879 | 1,661,164 | 315,783 | 525,327 | 9,912,153 |
| Additions | - | 37,563 | 99,186 | 10,597 | 147,346 |
| At 31 December 2023 | 7,409,879 | 1,698,727 | 414,969 | 535,924 | 10,059,499 |
| Depreciation and impairment | | | | | |
| At 1 January 2023 | 3,361,123 | 1,565,931 | 264,269 | 505,615 | 5,696,938 |
| Depreciation charged in the year | 313,224 | 22,290 | 19,872 | 12,620 | 368,006 |
| At 31 December 2023 | 3,674,347 | 1,588,221 | 284,141 | 518,235 | 6,064,944 |
| Carrying amount | | | | | |
| At 31 December 2023 | 3,735,532 | 110,506 | 130,828 | 17,689 | 3,994,555 |
| At 31 December 2022 | 4,048,756 | 95,233 | 51,514 | 19,712 | 4,215,215 |

13 Fixed asset investments

| | Notes | Group 2023 £ | 2022 £ | Company 2023 £ | 2022 £ |
|-----------------------------|-------|--------------------|-----------|----------------------|-----------|
| Investments in subsidiaries | 14 | - | - | 100 | 100 |
| Investments in associates | 15 | - | - | 155,230 | 155,230 |
| Unlisted investments | | 92 | 92 | 92 | 92 |
| | | 92 | 92 | 155,422 | 155,422 |

The group has not recognised a further share of losses of £263,872 (2022 - £286,172) of the associate beyond the £155,230 included above on the basis that it does not have any legal or constructive obligations to make payments on behalf of the associate.

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Fixed asset investments (Continued)

| Movements in fixed asset investments Group | Investments £ |
|---|------------------|
| Cost | |
| At 1 January 2023 and 31 December 2023 | 92 |
| Carrying amount | |
| At 31 December 2023 | 92 |
| At 31 December 2022 | 92 |

| Movements in fixed asset investments Company | Shares in subsidiaries and associates £ | Other investments £ | Total £ |
|---|--|---------------------------|------------|
| Cost | | | |
| At 1 January 2023 and 31 December 2023 | 155,330 | 92 | 155,422 |
| Carrying amount | | | |
| At 31 December 2023 | 155,330 | 92 | 155,422 |
| At 31 December 2022 | 155,330 | 92 | 155,422 |

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

| Name of undertaking | Registered office | Class of shares held | % Held Direct |
|----------------------|--|-------------------------|------------------|
| Gastronomist Limited | 15 Bloomsbury Square, London, United Kingdom | Ordinary | 100.00 |

15 Associates

Details of associates at 31 December 2023 are as follows:

| Name of undertaking | Registered office | Class of shares held | % Held Direct |
|---------------------------------------|--|-------------------------|------------------|
| LCB Shanghai Culinary Arts Academy | 101 Gui Zhou Road, Huangpu District, Shanghai, China | Ordinary | 49 |

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Stocks

| | Group 2023 £ | 2022 £ | Company 2023 £ | 2022 £ |
|-------------------------------|--------------------|-----------|----------------------|-----------|
| Raw materials and consumables | 322,016 | 250,279 | 192,219 | 111,381 |

17 Debtors

| | Group 2023 £ | 2022 £ | Company 2023 £ | 2022 £ |
|--|--------------------|------------------|----------------------|------------------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 1,253 | 370 | 1,253 | 370 |
| Amounts owed by group undertakings | 117,025 | 65,115 | 5,700,176 | 4,314,051 |
| Other debtors | 158,326 | 2,020 | 25,253 | 659 |
| Prepayments and accrued income | 510,214 | 685,509 | 401,069 | 559,998 |
| | 786,818 | 753,014 | 6,127,751 | 4,875,078 |
| Amounts falling due after more than one year: | | | | |
| Other debtors | 142,500 | 142,500 | - | - |
| Prepayments and accrued income | 258,931 | - | 258,931 | - |
| | 401,431 | 142,500 | 258,931 | - |
| Deferred tax asset (note 20) | 450,775 | 319,872 | (17,687) | (57,866) |
| | 852,206 | 462,372 | 241,244 | (57,866) |
| Total debtors | 1,639,024 | 1,215,386 | 6,368,995 | 4,817,212 |

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Creditors: amounts falling due within one year

| | | Group 2023 | 2022 | Company 2023 | 2022 |
|------------------------------------|-------|------------------|------------------|------------------|------------------|
| | Notes | £ | £ | £ | £ |
| Other borrowings | 19 | 220,668 | 220,668 | 220,668 | 220,668 |
| Trade creditors | | 1,059,361 | 860,984 | 758,285 | 637,246 |
| Amounts owed to group undertakings | | 565,536 | 528,065 | 565,536 | 528,065 |
| Corporation tax payable | | 1,902 | 1,902 | 1,902 | 1,902 |
| Other taxation and social security | | 429,434 | 564,819 | 388,336 | 524,495 |
| Other creditors | | 326,529 | 303,531 | 294,299 | 284,615 |
| Accruals and deferred income | | 451,756 | 438,270 | 252,987 | 221,463 |
| | | <u>3,055,186</u> | <u>2,918,239</u> | <u>2,482,013</u> | <u>2,418,454</u> |

19 Loans and overdrafts

| | Group 2023 | 2022 | Company 2023 | 2022 |
|-------------------------------|------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Loans from group undertakings | <u>5,240,825</u> | <u>5,461,493</u> | <u>5,240,825</u> | <u>5,461,493</u> |
| Payable within one year | 220,668 | 220,668 | 220,668 | 220,668 |
| Payable after one year | <u>5,020,157</u> | <u>5,240,825</u> | <u>5,020,157</u> | <u>5,240,825</u> |

The loan from group undertaking attracts interest at a rate of SONIA +5% per annum and is repayable in quarterly instalments of £55,167. It is due to be fully repaid in 25 years from the date of drawdown, which falls due more than 5 years after 31 December 2023.

20 Deferred taxation

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

| | Assets 2023 | Assets 2022 |
|--------------------------------|----------------|----------------|
| Group | £ | £ |
| Accelerated capital allowances | (21,132) | (67,507) |
| Tax losses carried forward | 468,462 | 377,738 |
| Short term timing differences | 3,445 | 9,641 |
| | <u>450,775</u> | <u>319,872</u> |

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Deferred taxation

(Continued)

| | Assets 2023 £ | Assets 2022 £ |
|-------------------------------------|-----------------------------|-------------------------------|
| Company | | |
| Accelerated capital allowances | (21,132) | (67,507) |
| Short term timing differences | 3,445 | 9,641 |
| | <u>(17,687)</u> | <u>(57,866)</u> |
| | Group 2023 £ | Company 2023 £ |
| Movements in the year: | | |
| Liability/(Asset) at 1 January 2023 | (319,872) | 57,866 |
| Credit to profit or loss | (130,903) | (40,179) |
| | <u>(450,775)</u> | <u>17,687</u> |

21 Retirement benefit schemes

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 96,618 | 73,534 |

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

Contributions totalling £18,717 (2022 - £17,070) were payable to the fund at the reporting date.

22 Share capital

| Group and company | 2023 Number | 2022 Number | 2023 £ | 2022 £ |
|-------------------------------|----------------|----------------|-----------|-----------|
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| of £1 each | 873,807 | 873,807 | 873,807 | 873,807 |

The ordinary shares each carry one voting right and rank pari passu in respect of dividends and return of capital upon winding up.

This represents the nominal value of shares issued.

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

23 Reserves

The group's reserves are as follows:

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

24 Operating lease commitments

Lessee

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

| | Group 2023 £ | 2022 £ | Company 2023 £ | 2022 £ |
|----------------------------|--------------------|-------------------|----------------------|-------------------|
| Within one year | 1,289,854 | 1,172,161 | 862,354 | 792,161 |
| Between two and five years | 4,589,416 | 4,356,144 | 3,449,416 | 3,168,644 |
| In over five years | 10,311,477 | 10,897,289 | 6,036,477 | 6,337,289 |
| | <u>16,190,747</u> | <u>16,425,594</u> | <u>10,348,247</u> | <u>10,298,094</u> |

Included within commitments is £142,500 falling due within one year which has been accrued in the Statement of Financial Position at 31 December 2023.

25 Related party transactions

The group has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any other wholly owned subsidiary undertaking within that group.

During the year, the parent company was charged rent of £792,162 (2022 - £715,215) by ProVision Pacifico Limited, a company controlled by the ultimate controlling party. For both 2023 and 2022, there was no balance owing to ProVision Pacifico Limited at the year ends.

At 31 December 2023, the parent company owed £10,799 (2022 - nil) to Le Cordon Bleu Shanghai Culinary Arts Academy.

LE CORDON BLEU LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

26 Controlling party

The ultimate parent undertaking of the smallest and largest group of which the company is a member is Le Cordon Bleu International BV, a company incorporated in the Netherlands.

The company is included in the consolidated financial statements of Le Cordon Bleu International BV and those accounts are available from Le Cordon Bleu International BV, Herengracht 28, 1015 BL Amsterdam, The Netherlands.

The ultimate controlling party is Stichting La Fondation André Cointreau, resident in the Netherlands.

27 Cash (absorbed by)/generated from group operations

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Loss for the year after tax | (198,728) | (335,474) |
| Adjustments for: | | |
| Share of loss of associate | - | 43,863 |
| Taxation (credited)/charged | (130,903) | 23,429 |
| Finance costs | 490,859 | 340,862 |
| Investment income | (60,836) | (14,971) |
| Corporation tax received | - | 204,682 |
| Depreciation and impairment of tangible fixed assets | 648,193 | 676,733 |
| Movements in working capital: | | |
| Increase in stocks | (71,737) | (819) |
| Increase in debtors | (292,735) | (71,683) |
| (Decrease)/increase in creditors | (549,656) | 382,282 |
| Cash (absorbed by)/generated from operations | (165,543) | 1,248,904 |

28 Analysis of changes in net debt - group

| | 1 January 2023 £ | Cash flows £ | 31 December 2023 £ |
|---------------------------------|---------------------|------------------|-----------------------|
| Cash at bank and in hand | 3,769,449 | (944,956) | 2,824,493 |
| Borrowings excluding overdrafts | (5,461,493) | 220,668 | (5,240,825) |
| | <u>(1,692,044)</u> | <u>(724,288)</u> | <u>(2,416,332)</u> |