

Company Registration No. 02702491 (England and Wales)

HARNBURY HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018



HARNBURY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	R Distefano M G Distefano
Company number	02702491
Registered office	1st Floor 8-10 Exchange Street Manchester M2 7HA
Auditor	Baldwins Audit Services 5th Floor Ship Canal House 98 King Street Manchester M2 4WU

HARNBURY HOLDINGS LIMITED

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HARNBURY HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present the strategic report for the year ended 30 September 2018.

Fair review of the business

The turnover of the company has fallen slightly during the year to £40,339,047 (2017 - £40,667,867), a decrease of 0.8%. Like many restaurant groups, the company has been affected by oversupply in the market. However, the company continues to look for opportunities and during the year opened the first San Carlo restaurant in London on Regent Street.

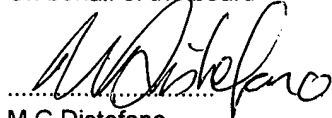
The company has recorded a minimal profit in the year which can be contributed to investment in a new site, as well as difficult trading conditions due to Brexit, and large rent and rates increases. However, the directors are confident that implementation of new processes and adapting to new market conditions will allow the business to return to profitability next year. The directors are confident that the brands are performing well in the marketplace and are looking for new opportunities.

At the year end, the company had shareholders' funds of £8,483,103 including distributable reserves of £8,482,103. Given the continued capital expenditure on the existing estate and the new site, the directors believe the company's position to be satisfactory.

Principal risks and uncertainties

The directors perceive the key risks facing the company to be the inflationary increase in raw materials, an increasing cost base, as well as the potential reduction in consumer confidence as a result of Brexit. To mitigate these risks, the directors continue to monitor costs and seek to reduce raw material costs whilst looking to continue to source high quality premium ingredients that are used in preparing the dishes for which its restaurants have become renowned.

On behalf of the board



M G Distefano

Director

26 JUN 2019

HARNBURY HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present their annual report and financial statements for the year ended 30 September 2018.

Principal activities

The principal activity of the company continued to be that of restaurant operation.

Directors

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

R Distefano
M G Distefano

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £200,000. The directors do not recommend payment of a final dividend.

Financial instruments

Objectives and policies

The company finances its operations through a mixture of retained profits, and where necessary to fund expansion or capital expenditure programmes through bank borrowings.

The managements objectives are to:

- retain sufficient liquid funds to enable them to meet its day to day obligations as they fall due whilst maximising returns on any surplus funds; and
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company's trading activities.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Auditor

Baldwins Audit Services (previously trading as Cassons Audit Services) are deemed to be reappointed under section 487(2) of the Companies Act 2006.

HARNBURY HOLDINGS LIMITED

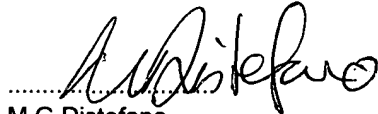
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board



M G Distefano

Director

Date: 2.6 JUN 2019

HARNBURY HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors are responsible for preparing the annual 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 company and of the profit or loss of the company 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 company will continue in business.

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

HARNBURY HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HARNBURY HOLDINGS LIMITED

Opinion

We have audited the financial statements of Harnbury Holdings Limited (the 'company') for the year ended 30 September 2018 which comprise the statement of income and retained earnings, the balance sheet and 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 FRS 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 company's affairs as at 30 September 2018 and of its 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 Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

HARNBURY HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF HARNBURY HOLDINGS LIMITED

Matters on which we are required to report by exception

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

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



**Mr Nicholas Stockton (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services**

27 JUN 2019

Statutory Auditor

5th Floor
Ship Canal House
98 King Street
Manchester
M2 4WU

HARNBURY HOLDINGS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	40,339,047	40,667,867
Cost of sales		(12,279,345)	(12,305,752)
Gross profit		28,059,702	28,362,115
Administrative expenses		(28,285,446)	(28,502,098)
Operating loss	4	(225,744)	(139,983)
Interest receivable and similar income	7	380,271	1,001,034
Interest payable and similar expenses	8	(65,121)	(66,555)
Profit before taxation		89,406	794,496
Tax on profit	9	(34,743)	(4,174)
Profit for the financial year		54,663	790,322
Retained earnings brought forward		8,627,440	8,187,118
Dividends	10	(200,000)	(350,000)
Retained earnings carried forward		8,482,103	8,627,440

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

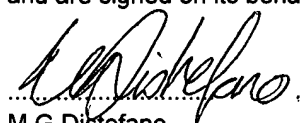
HARNBURY HOLDINGS LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Goodwill	11	145,996		291,996	
Other intangible assets	11	18,858		16,626	
Total intangible assets		164,854		308,622	
Tangible assets	12	10,620,101		10,320,349	
Investments	13	926,087		926,087	
		11,711,042		11,555,058	
Current assets					
Stocks		571,392		554,594	
Debtors	15	9,324,756		7,343,358	
Cash at bank and in hand		181,097		825,128	
		10,077,245		8,723,080	
Creditors: amounts falling due within one year	16	(11,960,078)		(9,776,715)	
Net current liabilities		(1,882,833)		(1,053,635)	
Total assets less current liabilities		9,828,209		10,501,423	
Creditors: amounts falling due after more than one year	17	(733,333)		(1,276,390)	
Provisions for liabilities	19	(611,773)		(596,593)	
Net assets		8,483,103		8,628,440	
Capital and reserves					
Called up share capital	22	1,000		1,000	
Profit and loss reserves		8,482,103		8,627,440	
Total equity		8,483,103		8,628,440	

The financial statements were approved by the board of directors and authorised for issue on 26 JUN 2019 and are signed on its behalf by:



M G Distefano
Director

Company Registration No. 02702491

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

Company information

Harnbury Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor, 8-10 Exchange Street, Manchester, M2 7HA.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Templeton Holdings Limited, incorporated in England & Wales. These consolidated financial statements are available from its registered office, 1st Floor, Acresfield, 8-10 Exchange Street, Manchester, England, M2 7HA.

The financial statements contain information about Harnbury Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Templeton Holdings Limited, a company incorporated in England and Wales.

1.2 Going concern

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

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

1.3 Turnover

Turnover represents the invoiced amount of food and drink sold and other services provided less allowances, net of value added tax. Turnover is recognised at the point at which the company has fulfilled its contractual obligations.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is five years.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation 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:

Trademarks	5 years straight line basis
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Short leasehold improvements	Over the term of the lease
Plant and equipment	20% per annum

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.8 Stocks

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

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

1.10 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group that are classified as debt, are recognised at transaction price.

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 at transaction price.

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 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 profit and loss account 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 company'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.

Deferred tax is charged or credited in the profit and loss account, 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 when the company has 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.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.14 Retirement benefits

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

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.16 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 are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

3 Turnover and other revenue

	2018 £	2017 £
Turnover analysed by class of business		
Restaurant operations	40,339,047	40,667,867
	<u> </u>	<u> </u>
	2018 £	2017 £
Other significant revenue		
Interest income	271	1,034
Dividends received	380,000	1,000,000
	<u> </u>	<u> </u>

4 Operating loss

	2018 £	2017 £
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	1,400,007	1,446,618
Amortisation of intangible assets	152,441	151,298
Cost of stocks recognised as an expense	12,279,345	12,305,752
Operating lease charges	2,261,499	2,068,542
	<u> </u>	<u> </u>

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	28,000	27,750
For other services		
All other non-audit services	6,927	16,918

6 Employees

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

	2018 Number	2017 Number
Administration and support	13	12
Other departments	699	698
	712	710

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	13,230,930	13,711,319
Social security costs	926,674	911,244
Pension costs	100,436	38,164
	14,258,040	14,660,727

7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	52	1,034
Other interest income	219	-
Total interest revenue	271	1,034
Income from fixed asset investments		
Income from shares in group undertakings	380,000	1,000,000
Total income	380,271	1,001,034

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

8 Interest payable and similar expenses

	2018 £	2017 £
Other interest on financial liabilities	65,121	66,555

9 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	21,000	50,000
Adjustments in respect of prior periods	(1,437)	8,376
Total current tax	19,563	58,376
Deferred tax		
Origination and reversal of timing differences	15,180	(54,202)
Total tax charge	34,743	4,174

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

	2018 £	2017 £
Profit before taxation	89,406	794,496
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	16,987	150,954
Tax effect of expenses that are not deductible in determining taxable profit	5,940	(2,152)
Tax effect of income not taxable in determining taxable profit	(72,200)	(190,000)
Effect of change in corporation tax rate	-	(1,249)
Depreciation on assets not qualifying for tax allowances	70,273	92,591
Under/(over) provided in prior years	(1,437)	8,376
Deferred tax adjustments in respect of prior years	15,180	(54,202)
Movement in provision	-	(144)
Taxation charge for the year	34,743	4,174

10 Dividends

	2018 £	2017 £
Interim paid	200,000	350,000

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

11 Intangible fixed assets

	Goodwill £	Trademarks £	Total £
Cost			
At 1 October 2017	847,314	113,997	961,311
Additions	-	8,673	8,673
At 30 September 2018	847,314	122,670	969,984
Amortisation and impairment			
At 1 October 2017	555,318	97,371	652,689
Amortisation charged for the year	146,000	6,441	152,441
At 30 September 2018	701,318	103,812	805,130
Carrying amount			
At 30 September 2018	145,996	18,858	164,854
At 30 September 2017	291,996	16,626	308,622

12 Tangible fixed assets

	Short leasehold improvements £	Plant and equipment £	Total £
Cost			
At 1 October 2017	13,002,693	6,593,054	19,595,747
Additions	650,321	1,049,438	1,699,759
At 30 September 2018	13,653,014	7,642,492	21,295,506
Depreciation and impairment			
At 1 October 2017	4,340,872	4,934,526	9,275,398
Depreciation charged in the year	677,972	722,035	1,400,007
At 30 September 2018	5,018,844	5,656,561	10,675,405
Carrying amount			
At 30 September 2018	8,634,170	1,985,931	10,620,101
At 30 September 2017	8,661,821	1,658,528	10,320,349

Fully depreciated assets

Included within fixed assets at cost are £3,921,456 (2017 - £2,410,024) of fully depreciated assets.

Leasehold improvements

Included within the carrying value of leasehold improvements above is £8,634,170 (2017 - £8,661,821) in respect of short leasehold land and buildings.

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

13 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	14	926,087	926,087

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 October 2017 & 30 September 2018	926,087
Carrying amount	
At 30 September 2018	926,087
At 30 September 2017	926,087

14 Subsidiaries

Details of the company's subsidiaries at 30 September 2018 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Signor Sassi Limited	England and Wales	Restaurant operations	Ordinary	100.00	
Harnbury Limited	England and Wales	Restaurant operations	Ordinary	100.00	

Registered Office addresses:

- 1 Signor Sassi Limited
1st Floor, Acresfield, 8-10 Exchange Street, Manchester, England, M2 7HA
- 2 Harnbury Limited
1st Floor, Acresfield, 8-10 Exchange Street, Manchester, England, M2 7HA

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

15 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	134,267	90,785
Corporation tax recoverable	10,128	-
Amounts owed by group undertakings	7,080,513	5,096,572
Other debtors	18,017	126,874
Prepayments and accrued income	2,081,831	2,029,127
	<u>9,324,756</u>	<u>7,343,358</u>

16 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	18	1,805,556	888,888
Trade creditors		3,899,284	3,617,026
Amounts owed to group undertakings		3,983,182	2,591,127
Other taxation and social security		555,818	633,476
Other creditors		51,709	41,751
Accruals and deferred income		1,664,529	2,004,447
		<u>11,960,078</u>	<u>9,776,715</u>

17 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	18	<u>733,333</u>	<u>1,276,390</u>

18 Loans and overdrafts

	2018 £	2017 £
Bank loans	2,538,889	1,276,390
Bank overdrafts	-	888,888
	<u>2,538,889</u>	<u>2,165,278</u>
Payable within one year	1,805,556	888,888
Payable after one year	<u>733,333</u>	<u>1,276,390</u>

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

18 Loans and overdrafts

(Continued)

Bank overdrafts and borrowings are secured by way of the following:

The long-term loans are secured by fixed and floating charges over all group companies assets.

Legal charges dated 22 April 2002, 21 July 2004, 20 October 2009, 22 June 2010, 31 August 2011, 21 September 2011, 14 June 2012, 21 December 2012, 18 March 2013, 23 May 2014, 29 September 2015 and 3 August 2016 over the company's leasehold properties.

Guarantee for £150,000 held by Mr R DiStefano.

An assignment of a life policy acceptable to the bank on the life of one of the directors having a minimum sum assured of not less than £750,000.

19 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	20	611,773	596,593

20 Deferred taxation

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

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Accelerated capital allowances	611,773	596,593
Movements in the year:		2018 £
Liability at 1 October 2017		596,593
Charge to profit or loss		15,180
Liability at 30 September 2018		611,773

The deferred tax liability set out above relates to accelerated capital allowances.

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

21 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	100,436	38,164

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

22 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
500 Ordinary 'A' Shares of £1 each	500	500
500 Ordinary 'B' Shares of £1 each	500	500
	1,000	1,000

23 Financial commitments, guarantees and contingent liabilities

Certain group companies are party to a group VAT registration. The group's liability in respect thereof at 30 September 2018 was £503,232 (2017 - £379,219).

24 Operating lease commitments

Lessee

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

	2018 £	2017 £
Between two and five years	238,000	-
In over five years	23,798,852	24,909,602
	24,036,852	24,909,602

It should be noted that the earliest lease terminates in 2022, however many run to 2034 and the longest lease terminates in 2046. Therefore, the total liability falls due over the course of more than twenty years.

The amount of non-cancellable operating lease payments recognised as an expense during the year was £2,147,128 (2017 - £1,989,661).

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

25 Related party transactions

Templeton Holdings Limited

Parent company

At the balance sheet date, the amount due from Templeton Holdings Limited was £5,175,110 (2017 - £4,222,260).

Harnbury Limited

Subsidiary company

At the balance sheet date, the amount due from Harnbury Limited was £1,905,403 (2017 - £874,312).

Signor Sassi Limited

Subsidiary company

At the balance sheet date, the amount due to Signor Sassi Limited was £3,471,685 (2017 - £2,473,262).

Ibla International Franchising Limited

Fellow group company

At the balance sheet date, the amount due to Ibla International Franchising Limited was £511,497 (2017 - £117,865).

City Private Pensions MHP1481 - Distefano Property SIPP

Mr R Distefano is a trustee of the City Private Pensions MHPP1481 - Distefano Property SIPP

During the year, the company wrote off monies loaned to City Private Pensions MHPP1481 - Distefano Property SIPP.

At the balance sheet date, the amount due from City Private Pensions MHP1481 - Distefano Property SIPP was £nil (2017 - £797).

26 Controlling party

The company's immediate parent is Templeton Holdings Limited, incorporated in England & Wales.

The most senior entity producing publicly available financial statements is Templeton Holdings Limited. The ultimate controlling party is Mr R DiStefano by virtue of his majority shareholding in Templeton Holdings Limited.