

Company Registration No. 02702491 (England and Wales)

HARNBURY HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

HARNBURY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	R Distefano M G Distefano
Company number	02702491
Registered office	1st Floor 8-10 Exchange Street Manchester United Kingdom M2 7HA
Auditor	Azets Audit Services St. Crispin House St. Crispin Way Haslingden Rossendale Lancashire United Kingdom BB4 4PW

HARNBURY HOLDINGS LIMITED

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HARNBURY HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present the strategic report for the year ended 30 September 2020.

Promoting the success of the company

The likely consequences of any decision in the long term

The board of directors take into account a number of stakeholder factors when making decisions, ensuring that they are made for the benefit of all of its stakeholders in the long term. Acquiring two new sites in the past 12 months required much consideration to ensure that the financial returns would be in the best interests of the group and all of its stakeholders.

The interests of the groups employees

Our employees are our most important asset and core to our business. We try to retain and motivate our employees as much as possible and take a responsible approach to benefits and remuneration in the group. We took the opportunity through lockdown to review our training policies and manuals to ensure that all employees are aligned throughout the business with common goals and expectations.

The need to foster the groups business relationships with suppliers, customers and others

We value all of our customers, who are fundamental to our business, and we always ensure that our service and quality of food and drink remains very high. We have many regular customers across the country who have continued to support us throughout the difficulties of the past 12 months.

We continue to have many long-standing relationships with suppliers across the country. We always aim to pay all of our creditors on time according to agreed terms and continued with this and to work closely with our suppliers throughout the pandemic.

The desirability of the company maintaining a reputation for high standards of business conduct

We believe that our values and standards reinforce how we create and sustain value over the long term and are key elements of how we maintain a reputation for high standards of conduct within our industry.

The need to act fairly as between members of the group

The directors consider that they have acted fairly between members of the group. As a family company, with a good reputation, the directors recognise that this is fundamental to ensure future growth and stakeholder benefit in the future.

Fair review of the business

The turnover of the company has fallen from £43,219,235 to £28,467,322 in the year, resulting in a loss of £(117,782).

The year ending 30 September 2020 started well with turnover and profit levels hitting expected targets. The second half of the year saw the beginning of the COVID pandemic, with all restaurants closed between the end of March and early July 2020.

No additional sites were opened in the year, but the company has since acquired two new sites in London which will open in October 2021 and January 2022.

At the year end, the company had shareholders' funds of £8,438,241 including distributable reserves of £8,437,241.

HARNBURY HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

Principal risks and uncertainties

The directors perceive the key risks facing the company to be an inflationary increase in raw materials and a generally increasing cost base. 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.

The pandemic outbreak of COVID-19 in 2020 has had a significant impact on the industry with the majority of the hospitality sector being required to temporarily close and furlough staff. The company closed its restaurants for a period of time and utilised the Government's Job Retention Scheme, and whilst the pandemic continues it will make use of Government support as necessary.

Detailed forecasts and cash flow projections have been prepared up to September 2022, the company is constantly reviewing, sensitising and updating these based on capacity levels, trends, and changing government guidelines. During the year the company agreed a bank loan repayable over 4 years to further strengthen the balance sheet and provide sufficient headroom, as well as providing additional funding to take advantage to the opportunities as they arise. Following the year end and for the period up to September 2022, the company is forecast to remain within its available funding, and have sufficient resources to start developing two new restaurants after the year end.

The directors are confident that the business will return to profitability once restrictions are lifted and are willing to make any funding requirement necessary for the company to continue operations until the business returns to normal.

On behalf of the board

M G Distefano

Director

24 September 2021

HARNBURY HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their annual report and financial statements for the year ended 30 September 2020.

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 9.

No ordinary dividends were paid. 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

Azets Audit Services (formerly Baldwins 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 2020

Energy and carbon report

The company is committed to minimising its impact on climate change. The requirements of reducing Scope 1 and 2 emissions is well understood by the company. During the financial year, the directors have monitored the amount of energy used in various processes across the business. The below table shows the energy used in kWh for Scope 1 and Scope 2 emissions and the equivalent Carbon Dioxide emissions associated.

Energy Source	Energy Cons.	Scope	Emissions (tCO ₂ e)
Gas (<i>total kWh from gas bills</i>)	3,323,965 kWh	Scope 1	610
Electricity (<i>kWh from electricity bills</i>)	2,559,157 kWh	Scope 2	704

Intensity Ratio

To compare the emissions efficiency of the business year on year as the business changes, metrics have been used to analyse emissions and to measure progress. These intensity metrics consider the growth of the business and act as a measure of business performance and emissions. The company has utilised the revenue during the financial year to determine the tonnage of CO₂ (equivalent) per £1,000,000 generated as the intensity ratio.

As this is the first year of reporting, the company will use this as a baseline for comparison in future years.

Emissions	2020
tCO ₂ e per £1M revenue	46.2

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

24 September 2021

HARNBURY HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2020 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 2020 and of its 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 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.

HARNBURY HOLDINGS LIMITED

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

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 Azets Audit Services
Chartered Accountants
Statutory Auditor

24 September 2021

St. Crispin House
St. Crispin Way
Haslingden
Rossendale
Lancashire
United Kingdom
BB4 4PW

HARNBURY HOLDINGS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	28,467,322	43,219,235
Cost of sales		(8,063,714)	(12,671,361)
Gross profit		20,403,608	30,547,874
Administrative expenses		(24,065,300)	(29,682,443)
Other operating income		3,020,616	-
Operating (loss)/profit	4	(641,076)	865,431
Interest receivable and similar income	7	500,000	300,000
Interest payable and similar expenses	8	(77,199)	(65,346)
(Loss)/profit before taxation		(218,275)	1,100,085
Tax on (loss)/profit	9	100,493	(227,165)
(Loss)/profit for the financial year		(117,782)	872,920
Retained earnings brought forward		8,555,023	8,482,103
Dividends	10	-	(800,000)
Retained earnings carried forward		8,437,241	8,555,023

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 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	11	26,306		37,163	
Tangible assets	12	8,537,937		9,401,506	
Investments	13	926,087		926,087	
			9,490,330		10,364,756
Current assets					
Stocks		524,357		561,962	
Debtors	15	9,755,800		10,631,526	
Cash at bank and in hand		6,216,035		10,469	
			16,496,192		11,203,957
Creditors: amounts falling due within one year	16	(12,708,864)		(12,125,857)	
Net current assets/(liabilities)			3,787,328		(921,900)
Total assets less current liabilities			13,277,658		9,442,856
Creditors: amounts falling due after more than one year	17		(4,285,417)		(320,833)
Provisions for liabilities	19		(554,000)		(566,000)
Net assets			8,438,241		8,556,023
Capital and reserves					
Called up share capital	22	1,000		1,000	
Profit and loss reserves		8,437,241		8,555,023	
Total equity			8,438,241		8,556,023

The financial statements were approved by the board of directors and authorised for issue on 24 September 2021 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 2020

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, United Kingdom, 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 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': 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.

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.2 Going concern

The directors have prepared detailed profit and cash flow projections for the period ended 30 September 2022. These forecasts recognise the uncertainties which currently present themselves in the economy. The forecasts have been sensitised and the directors believe these are prepared on a reasonable basis. The bank loan obtained following the pandemic outbreak means the company has sufficient cash reserves to support it in the short to medium term, taking into account the directors' best estimate of the impact of Covid-19. The shareholders are also willing to provide any funding requirement necessary for the company to continue in operation until business operations return to normal.

The company monitors its cash flow as part of its daily control procedures. The directors consider the cash position and future requirements on a regular basis and ensure that appropriate facilities are available.

The directors consider it appropriate that the accounts are prepared on the going concern basis. These accounts do not include any adjustments that may be required should the going concern basis of preparation not be appropriate.

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; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

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.

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.

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

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.

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.

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

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.

1.15 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 leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 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.

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.

Depreciation is based on the directors' best estimate of the useful economic life of each class of fixed assets (see note 1.6).

The directors have considered the impact of COVID-19 on the business (see note 1.2). They believe that the company has sufficient cash and facilities available to it to trade until the industry returns to business as usual.

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Restaurant operations	28,467,322	43,219,235

	2020	2019
	£	£
Other significant revenue		
Dividends received	500,000	300,000

4 Operating (loss)/profit

	2020	2019
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Government grants	(3,020,616)	-
Depreciation of owned tangible fixed assets	1,469,407	1,556,564
Amortisation of intangible assets	10,986	154,520
Operating lease charges	2,616,493	2,498,279

During the year the company received government grants for the coronavirus job retention scheme, amounting to £3,020,616.

5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	23,600	23,200
For other services		
Taxation compliance services	1,800	1,800
All other non-audit services	3,600	3,500
	5,400	5,300

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

6 Employees

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

	2020 Number	2019 Number
Administration and support	14	14
Operations	616	710
Total	630	724

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	11,316,920	13,670,288
Social security costs	764,221	928,245
Pension costs	128,994	163,531
	12,210,135	14,762,064

7 Interest receivable and similar income

	2020 £	2019 £
Income from fixed asset investments		
Income from shares in group undertakings	500,000	300,000

8 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and loans	77,199	65,346

9 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	(88,493)	279,999
Adjustments in respect of prior periods	-	(7,061)
Total current tax	(88,493)	272,938

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

9 Taxation		(Continued)	
	2020	2019	
	£	£	
Deferred tax			
Origination and reversal of timing differences	(12,000)	(45,773)	
	<u>(12,000)</u>	<u>(45,773)</u>	
Total tax (credit)/charge	(100,493)	227,165	
	<u>(100,493)</u>	<u>227,165</u>	
The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:			
	2020	2019	
	£	£	
(Loss)/profit before taxation	(218,275)	1,100,085	
	<u>(218,275)</u>	<u>1,100,085</u>	
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(41,472)	209,016	
Tax effect of expenses that are not deductible in determining taxable profit	(7,015)	(24,815)	
Tax effect of income not taxable in determining taxable profit	(95,000)	(57,000)	
Adjustments in respect of prior years	(44,460)	-	
Permanent capital allowances in excess of depreciation	89,371	152,798	
Under/(over) provided in prior years	10,083	(7,061)	
Deferred tax adjustments in respect of prior years	(12,000)	(45,773)	
	<u>(100,493)</u>	<u>227,165</u>	
Taxation (credit)/charge for the year	(100,493)	227,165	
	<u>(100,493)</u>	<u>227,165</u>	
10 Dividends			
	2020	2019	
	£	£	
Interim paid	-	800,000	
	<u>-</u>	<u>800,000</u>	

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

11 Intangible fixed assets

	Goodwill £	Trademarks £	Total £
Cost			
At 1 October 2019	847,314	149,499	996,813
Additions	-	129	129
At 30 September 2020	847,314	149,628	996,942
Amortisation and impairment			
At 1 October 2019	847,314	112,336	959,650
Amortisation charged for the year	-	10,986	10,986
At 30 September 2020	847,314	123,322	970,636
Carrying amount			
At 30 September 2020	-	26,306	26,306
At 30 September 2019	-	37,163	37,163

12 Tangible fixed assets

	Short leasehold improvements £	Plant and equipment £	Total £
Cost			
At 1 October 2019	13,756,218	7,877,257	21,633,475
Additions	147,833	458,005	605,838
At 30 September 2020	13,904,051	8,335,262	22,239,313
Depreciation and impairment			
At 1 October 2019	5,809,314	6,422,655	12,231,969
Depreciation charged in the year	887,115	582,292	1,469,407
At 30 September 2020	6,696,429	7,004,947	13,701,376
Carrying amount			
At 30 September 2020	7,207,622	1,330,315	8,537,937
At 30 September 2019	7,946,904	1,454,602	9,401,506

Fully depreciated assets

Included within fixed assets at cost are £6,574,424 (2019 - £5,482,840) of fully depreciated assets.

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

13 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	14	926,087	926,087

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 October 2019 & 30 September 2020	926,087
Carrying amount	
At 30 September 2020	926,087
At 30 September 2019	926,087

14 Subsidiaries

Details of the company's subsidiaries at 30 September 2020 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Harnbury Limited	England and Wales	Restaurant operations	Ordinary	100.00	0
Signor Sassi Limited	England and Wales	Restaurant operations	Ordinary	100.00	0

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 2020

15 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	73,644	37,591
Amounts owed by group undertakings	8,626,042	8,638,883
Other debtors	86,146	5,208
Prepayments and accrued income	969,968	1,949,844
	<u>9,755,800</u>	<u>10,631,526</u>

16 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Bank loans and overdrafts	18	745,876	1,057,656
Trade creditors		3,363,616	3,613,858
Amounts owed to group undertakings		4,531,379	3,554,573
Corporation tax		219,719	279,999
Other taxation and social security		1,240,726	1,462,110
Other creditors		41,982	119,040
Accruals and deferred income		2,565,566	2,038,621
		<u>12,708,864</u>	<u>12,125,857</u>

17 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	£
Bank loans and overdrafts	18	4,285,417	320,833
		<u>4,285,417</u>	<u>320,833</u>

18 Loans and overdrafts

	2020	2019
	£	£
Bank loans	5,031,250	1,237,500
Bank overdrafts	43	140,989
	<u>5,031,293</u>	<u>1,378,489</u>
Payable within one year	745,876	1,057,656
Payable after one year	4,285,417	320,833
	<u>5,031,293</u>	<u>1,378,489</u>

HARNBURY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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	2020 £	2019 £
Deferred tax liabilities	20	554,000	566,000

20 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	554,000	566,000
Movements in the year:		2020 £
Liability at 1 October 2019		566,000
Credit to profit or loss		(12,000)
Liability at 30 September 2020		554,000

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 2020

21 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	128,994	163,531

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

	2020	2019
	£	£
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 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:

	2020	2019
	£	£
Within one year	2,161,423	2,161,423
Between two and five years	8,127,734	8,312,734
In over five years	11,936,628	13,521,978
	22,225,785	23,996,135

It should be noted that the earliest lease terminates in 2021, 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 £ 2,616,493 (2019 - £2,498,279).

25 Ultimate 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.