

Gordon Ramsay Holdings Limited

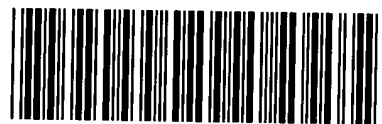
Report and Financial Statements

Year Ended

31 August 2015

Company Number 03457208

TUESDAY



A584YETS

A12

31/05/2016

#139

COMPANIES HOUSE

Gordon Ramsay Holdings Limited

Company Information

| | |
|-----------------------------|---|
| Directors | G J Ramsay S Gillies G J Eades |
| Registered number | 03457208 |
| Registered office | 539-547 Wandsworth Road London SW8 3JD |
| Independent auditors | BDO LLP 55 Baker Street London W1U 7EU |

Gordon Ramsay Holdings Limited

Contents

| | Page |
|--|----------------|
| Strategic Report | 1 - 3 |
| Directors' Report | 4 - 5 |
| Independent Auditors' Report | 6 - 7 |
| Profit and Loss Account | 8 |
| Balance Sheet | 9 - 10 |
| Notes to the Financial Statements | 11 - 24 |

Gordon Ramsay Holdings Limited

Strategic Report For the Year Ended 31 August 2015

The directors present their strategic report together with the financial statements for the period 31 August 2015.

Principal activities

Gordon Ramsay Holdings Limited is a holding company that offers management and operational support to the restaurants within the Kavalake Ltd group and licensing agreements and consultancy services to overseas restaurants in various locations around the world.

Business review

The turnover for the company is £7.4m (2014 - £6.8m) which is an outstanding 9.5% increase. Revenue has increased due to the new licensing agreements throughout the year, the increase in turnover at the restaurants which resulted in an increase in the fees earned and the addition of rental income.

Bread Street Kitchen in Hong Kong opened up in September 2014 and Gordon Ramsay Pub & Grill in Atlantic City in February 2015. Both restaurants have had great results since opening.

Adjusted EBITDA* was £1.0m (2014 - £1.2m), with improved sales and tighter cost controls. In the prior year there were increased costs incurred in relation to improving the sales and marketing and finance departments.

Operating Loss has increased to £8.3m (2014 - loss £5.1m) where in the current year this includes the cost of the share based remuneration for a director in the period of £228k and exceptional costs of £9.0m, largely due to intercompany provisions.

International

The licence agreement for Gordon Ramsay au Trianon in Versailles was renewed in December 2014. Gordon Ramsay au Trianon is an intimate restaurant set in the spectacular Trianon Palace and Spa in the heart of Versailles, and takes its inspiration from Restaurant Gordon Ramsay in London.

Financing

At the year end the director's loan account decreased to £11.7m (2014 - £12.6m) due to repayments in the year.

Future developments

UK

The company will continue to focus on supporting the operations of the company and will continue to review the operations with a view of identifying efficiencies.

The performance of the company is measured by the directors and the executive management team.

International

A new licence agreement with Gordon Ramsay Grand Hotel Bordeaux in Bordeaux was also signed in December 2014. The restaurant, Le Pressoir d'Argent, opened in September 2015 and is a fine dining restaurant at the five-star Grand Hotel de Bordeaux & Spa in Bordeaux.

The directors are continuously seeking new opportunities overseas.

*Adjusted EBITDA is earnings before interest, tax, pre opening costs, depreciation, amortisation and exceptional items.

Gordon Ramsay Holdings Limited

Strategic Report (continued) For the Year Ended 31 August 2015

Key performance indicators

In line with our operating objectives, we use both financial and non-financial KPI's. Dependant on the scale and size of our operations means we use various performance measures in addition to KPI's.

KPI's are used to measure our primary objectives of the business and the performance of the restaurants which helps to add value for our shareholders.

KPI's used to measure performance include turnover, gross profit and Adjusted EBITDA.

| Profit and Loss Summary | 2015 | 2014 |
|-------------------------|------|------|
| | £m | £m |
| Turnover | 7.4 | 6.8 |
| Gross Profit | 7.4 | 6.7 |
| Adjusted EBITDA | 1.0 | 1.2 |

Principal risks and uncertainties

Like any consumer facing business, the general economic climate and pressures on consumer spending could have an adverse impact on the business. However, the restaurant market has continued to trade very strongly throughout the recession, and we are confident that as economic growth returns this will be reflected in an increase in the strength of consumer spending.

Capital risk management

The company manages its capital to ensure that it will continue as a going concern whilst looking to maximise returns to shareholders. The capital structure of the company consists of equity (this being issued share capital, share premium and retained earnings), cash and cash equivalents. The company monitors its capital structure on a regular basis through cash flow reporting and forecasting.

Foreign exchange risk

The company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than pound sterling (£). The company maintains a natural hedge that minimises the foreign exchange exposure by matching foreign currency income with foreign currency costs. Given that the majority of the company's transactions remain Sterling denominated, the company does not consider it necessary to enter into foreign exchange contracts in managing its foreign exchange risk for the time being.

Interest rate risk

The company does not have formal policies on interest rate risk but monitors interest rates and the risk to the business on a regular basis.

Credit risk

The company has no significant concentrations of credit risk. The nature of the operations results in a large and diverse customer base and a significant proportion of cash sales. The company has policies that limit the amount of credit exposure to any financial institution.

Gordon Ramsay Holdings Limited

Strategic Report (continued) For the Year Ended 31 August 2015

Supplier payment policy

The company's policy is to agree all payment terms with suppliers as and when a trading relationship is established. The company ensures that the payment terms are clear and its policy is to abide by the agreed terms where possible provided the supplier meet their obligations.

Employees

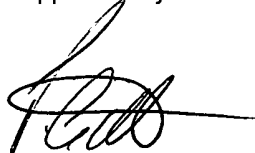
The successful delivery of the service to the company's customers depends on recruiting, training, managing and retaining people of the highest quality. The company is committed to the welfare of its staff and all employees are given opportunities and are encouraged to develop with the company.

The company is committed to the involvement of employees in the business. Staff are kept informed of the performance and objectives of the company through newsletters, staff meetings and regular structured feedback sessions.

The company is an equal opportunities employer. Its policy is to ensure that all employees are treated with the same respect and consideration regardless of sex, age, colour, disability, sexual orientation, nationality or ethnic or national origins.

Management facilitates the employment of disabled persons whenever a suitable vacancy arises. Continued employment and re-training of employees who become disabled whilst employed within the company. The company provides career development, training and promotion of disabled employees with a view to encouraging them to play an active role in the development of the company.

This report was approved by the board and signed on its behalf.



.....
S Gillies
Director

Date: 18/12/15

Gordon Ramsay Holdings Limited

Directors' Report For the Year Ended 31 August 2015

The directors present their report and the financial statements for the year ended 31 August 2015.

Results and Dividends

The loss for the year, after taxation, amounted to £9,074,525 (2014 - loss of £5,199,295).

Directors

The directors who served during the year were:

G J Ramsay
S Gillies
G J Eades

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 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 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.

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Gordon Ramsay Holdings Limited

Directors' Report For the Year Ended 31 August 2015

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
S Gillies
Director

Date: 18/12/15

Gordon Ramsay Holdings Limited

Independent Auditor's Report to the members of Gordon Ramsay Holdings Limited

We have audited the financial statements of Gordon Ramsay Holdings Limited for the year ended 31 August 2015 which comprise the profit and loss account, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2015 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

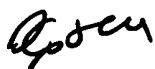
Gordon Ramsay Holdings Limited

Independent Auditor's Report to the members of Gordon Ramsay Holdings Limited

Matters on which we are required to report by exception

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.



David Campbell (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 18/12/15

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Gordon Ramsay Holdings Limited

Profit and Loss Account For the Year Ended 31 August 2015

| | Note | 2015 £ | 2014 £ |
|--|------|--------------|--------------|
| TURNOVER | 3 | 7,415,451 | 6,772,154 |
| Cost of sales | | - | (24,442) |
| GROSS PROFIT | | 7,415,451 | 6,747,712 |
| Administrative expenses | | (15,761,166) | (11,886,061) |
| Adjusted EBITDA* | | 994,836 | 1,226,730 |
| Share based payments | 26 | (227,933) | (2,671,504) |
| Depreciation | 4 | (93,384) | (47,896) |
| Other exceptional items | 2 | (9,019,234) | (3,645,679) |
| OPERATING LOSS | 4 | (8,345,715) | (5,138,349) |
| Interest payable and similar charges | 8 | (31,973) | (726) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (8,377,688) | (5,139,075) |
| Tax on loss on ordinary activities | 9 | (696,837) | (60,220) |
| LOSS FOR THE FINANCIAL YEAR | 20 | (9,074,525) | (5,199,295) |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

* Adjusted EBITDA is earnings before interest, tax, share-based payments, depreciation, and other exceptional items.

The notes on pages 11 to 24 form part of these financial statements.

Gordon Ramsay Holdings Limited
Registered number: 03457208


Balance Sheet
As at 31 August 2015

| | Note | £ | 2015 £ | As restated 2014 £ |
|--|------|---------------------|----------------------------|----------------------------|
| FIXED ASSETS | | | | |
| Tangible assets | 10 | | 529,276 | 380,759 |
| Investments | 11 | | 584,602 | 485,602 |
| | | | <u>1,113,878</u> | <u>866,361</u> |
| CURRENT ASSETS | | | | |
| Stocks | 12 | 193,946 | | 250,502 |
| Debtors: amounts falling due after more than one year | 13 | 303,700 | | 303,700 |
| Debtors: amounts falling due within one year | 13 | 8,650,716 | | 13,258,500 |
| Cash at bank and in hand | | 989,636 | | 1,446,625 |
| | | <u>10,137,998</u> | | <u>15,259,327</u> |
| CREDITORS: amounts falling due within one year | 14 | <u>(36,652,634)</u> | | <u>(43,580,720)</u> |
| NET CURRENT LIABILITIES | | | <u>(26,514,636)</u> | <u>(28,321,393)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>(25,400,758)</u> | <u>(27,455,032)</u> |
| CREDITORS: amounts falling due after more than one year | 15 | | <u>(10,989,344)</u> | - |
| PROVISIONS FOR LIABILITIES | | | | |
| Other provisions | 16 | | <u>(409,990)</u> | <u>(498,468)</u> |
| NET LIABILITIES | | | <u><u>(36,800,092)</u></u> | <u><u>(27,953,500)</u></u> |
| CAPITAL AND RESERVES | | | | |
| Called up share capital | 19 | | 102,632 | 102,632 |
| Share premium account | 20 | | 747,368 | 747,368 |
| Capital contribution reserve | 20 | | 2,899,437 | 2,671,504 |
| Profit and loss account | 20 | | <u>(40,549,529)</u> | <u>(31,475,004)</u> |
| SHAREHOLDERS' DEFICIT | 21 | | <u><u>(36,800,092)</u></u> | <u><u>(27,953,500)</u></u> |

Gordon Ramsay Holdings Limited

Balance Sheet (continued) As at 31 August 2015

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
S Gillies
Director

Date: 18/12/15

The notes on pages 11 to 24 form part of these financial statements.

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The financial statements have been prepared on a going concern basis, validity of which is dependent upon the continuing financial support of the parent undertaking which their directors have provided.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

Turnover represents amounts receivable for management fees and licence fees net of value added tax. Turnover is recognised on an accruals basis.

Consultancy services and license fees are recognised when the service is provided to customers and is net of value added tax.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|----------------------------------|---|-------------------------------------|
| Leasehold land and buildings | - | Straight line over the lease period |
| Fixtures, fittings and equipment | - | 15% straight line |

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional cost to completion and disposal.

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

1. Accounting Policies (continued)

1.8 Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.10 Pensions

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

1.11 Prior year adjustment

The prior year financial statements have been restated to reclassify certain amounts from Trade creditors to Other creditors as the directors view this to be a more appropriate classification of these liabilities.

There was no impact on the result for the prior period or net assets of the company as a result of this restatement.

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

1. Accounting Policies (continued)

1.12 Share-based payments

When share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of goods and services received.

1.13 Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it a provision is made for the present value of the obligation under the lease.

2. Exceptional items

| | 2015 £ | 2014 £ |
|-----------------------------------|------------------|------------------|
| Intercompany provision | 5,676,675 | 2,444,089 |
| Onerous lease provision (note 16) | 161,468 | 498,468 |
| Legal and compliance costs | 3,181,091 | 703,122 |
| | <u>9,019,234</u> | <u>3,645,679</u> |

3. Turnover

The whole of the turnover is attributable to the principal activity of the company.

A geographical analysis of turnover is as follows:

| | 2015 £ | 2014 £ |
|----------------|------------------|------------------|
| United Kingdom | 5,243,364 | 4,733,069 |
| Rest of world | 2,172,087 | 2,039,085 |
| | <u>7,415,451</u> | <u>6,772,154</u> |

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

4. Operating loss

The operating loss is stated after charging:

| | 2015 £ | 2014 £ |
|--|----------------|------------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the company | 93,384 | 47,896 |
| Operating lease rentals: | | |
| - other operating leases | 143,152 | 338,879 |
| Difference on foreign exchange | (6,695) | (8,671) |
| Share based payment (see note 26) | 227,933 | 2,671,504 |
| | <u>227,933</u> | <u>2,671,504</u> |

5. Auditors' remuneration

| | 2015 £ | 2014 £ |
|---|----------------|---------------|
| Fees payable to the company's auditor and its associates for the audit of the company's annual accounts | 6,000 | 6,000 |
| Fees payable to the company's auditor and its associates in respect of: | | |
| The auditing of accounts of subsidiaries of the company | 15,550 | 6,000 |
| Taxation compliance services | 140,000 | 107,000 |
| All other non-audit services not included above | 311,000 | 37,500 |
| | <u>311,000</u> | <u>37,500</u> |

6. Staff costs

Staff costs, including directors' remuneration, were as follows:

| | 2015 £ | 2014 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 2,651,062 | 2,421,610 |
| Social security costs | 304,698 | 295,804 |
| Other pension costs | 34,211 | 47,471 |
| | <u>2,989,971</u> | <u>2,764,885</u> |

The average monthly number of employees, including the directors, during the year was as follows:

| | 2015 No. | 2014 No. |
|-------------|-------------|-------------|
| Head office | 51 | 50 |
| | <u>51</u> | <u>50</u> |

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

7. Directors' remuneration

| | 2015 £ | 2014 £ |
|-----------------------|----------------|----------------|
| Directors' emoluments | <u>514,891</u> | <u>359,549</u> |

The highest paid director received remuneration of £462,839 (2014 - £319,549).

8. Interest payable

| | 2015 £ | 2014 £ |
|--|---------------|------------|
| On bank loans and overdrafts | 3,311 | 675 |
| On finance leases and hire purchase contracts | - | 51 |
| Unwinding of onerous lease discounted future costs (Note 16) | 28,662 | - |
| | <u>31,973</u> | <u>726</u> |

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

9. Taxation

| | 2015 £ | 2014 £ |
|---|----------------|---------------|
| Analysis of tax charge in the year | | |
| Other adjustment | 42,796 | 60,220 |
| Adjustments in respect of prior periods | 654,041 | - |
| Tax on loss on ordinary activities | 696,837 | 60,220 |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.58% (2014 - 22.16%). The differences are explained below:

| | 2015 £ | 2014 £ |
|--|----------------|---------------|
| Loss on ordinary activities before tax | (8,377,688) | (5,139,075) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.58% (2014 - 22.16%) | (1,724,128) | (1,138,819) |
| Effects of: | | |
| Fixed asset differences | 2,547 | - |
| Expenses not deductible for tax purposes | 1,472,679 | 1,343,086 |
| Capital allowances for year in excess of depreciation | (4,572) | (13,553) |
| Adjustments to tax charge in respect of prior periods | 902,637 | - |
| Short term timing differences | 707 | - |
| Other differences leading to a decrease in the tax charge | (6,644) | (26,422) |
| Group relief | 82,594 | (104,072) |
| Transfer pricing adjustments | (28,983) | - |
| Current tax charge for the year (see note above) | 696,837 | 60,220 |

There is a potential deferred tax asset of £498,894 (2014 - £Nil) not recognised.

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

10. Tangible fixed assets

| | Leasehold land and buildings £ | Fixtures, fittings and equipment £ | Total £ |
|-----------------------|---|---|------------------|
| Cost | | | |
| At 1 September 2014 | 19,546 | 895,916 | 915,462 |
| Additions | 17,809 | 224,092 | 241,901 |
| At 31 August 2015 | <u>37,355</u> | <u>1,120,008</u> | <u>1,157,363</u> |
| Depreciation | | | |
| At 1 September 2014 | 664 | 534,039 | 534,703 |
| Charge for the year | 9,555 | 83,829 | 93,384 |
| At 31 August 2015 | <u>10,219</u> | <u>617,868</u> | <u>628,087</u> |
| Net book value | | | |
| At 31 August 2015 | <u>27,136</u> | <u>502,140</u> | <u>529,276</u> |
| At 31 August 2014 | <u>18,882</u> | <u>361,877</u> | <u>380,759</u> |

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

11. Fixed asset investments

| | Investments in subsidiary companies £ |
|--|---|
| Cost or valuation | |
| At 1 September 2014 | 573,141 |
| Additions | 99,000 |
| At 31 August 2015 | 672,141 |
| Provisions | |
| At 1 September 2014 and 31 August 2015 | 87,539 |
| Net book value | |
| At 31 August 2015 | 584,602 |
| At 31 August 2014 | 485,602 |

In the opinion of the directors, the aggregate value of the company's investments in subsidiary companies is not less than the amount included in the balance sheet.

Principal subsidiaries

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

| Company name | Country | Percentage Shareholding | Description |
|---|----------------|----------------------------|------------------------|
| Gordon Ramsay at the Savoy Grill Limited* | United Kingdom | 100% | Not trading |
| London House Operating Company Limited* | United Kingdom | 100% | Not trading |
| Gordon Ramsay (Royal Hospital Road) Limited | United Kingdom | 100% | Operating a restaurant |
| Gordon Ramsay (St James's) Limited | United Kingdom | 90% | Not trading |
| Gordon Ramsay (No.1) Limited | United Kingdom | 100% | Operating a restaurant |
| Gordon Ramsay at Claridge's Limited | United Kingdom | 100% | Not trading |
| Gordon Ramsay at the Connaught Limited | United Kingdom | 100% | Not trading |
| Gordon Ramsay at the Berkeley Limited | United Kingdom | 100% | Not trading |
| Artichoke Consultancy Limited | United Kingdom | 100% | Holding company |
| Gordon Ramsay (Narrow Street) Limited | United Kingdom | 100% | Operating a restaurant |
| Gordon Ramsay (Maze) Limited | United Kingdom | 90% | Operating a restaurant |
| La Noisette Restaurant Limited | United Kingdom | 100% | Not trading |
| Petrus (Kinnerton Street) Limited | United Kingdom | 100% | Operating a restaurant |

* indirectly held

The class of share capital held in all cases is ordinary.

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

12. Stocks

| | 2015 £ | 2014 £ |
|-------------------------------------|----------------|----------------|
| Finished goods and goods for resale | <u>193,946</u> | <u>250,502</u> |

There is no material difference between the replacement cost of stocks and the amounts stated above.

13. Debtors

| | 2015 £ | 2014 £ |
|-------------------------------------|------------------|-------------------|
| Due after more than one year | | |
| Other debtors | <u>303,700</u> | <u>303,700</u> |
| Due within one year | | |
| Trade debtors | 207,022 | 76,964 |
| Amounts owed by group undertakings | 7,810,698 | 12,521,813 |
| Amounts owed by related companies | 133,458 | 59,476 |
| Corporation tax recoverable | - | 17,424 |
| Directors' loan accounts | 125 | 51,632 |
| Other debtors | 211,431 | 107,861 |
| Prepayments and accrued income | 287,982 | 423,330 |
| | <u>8,650,716</u> | <u>13,258,500</u> |

14. Creditors: Amounts falling due within one year

| | 2015 £ | As restated 2014 £ |
|------------------------------------|-------------------|--------------------------|
| Trade creditors | 1,807,472 | 1,376,028 |
| Amounts owed to group undertakings | 30,193,935 | 28,370,658 |
| Amounts owed to related companies | 5,866 | 23,824 |
| Corporation tax | 591,968 | - |
| Other taxation and social security | 69,918 | 442,740 |
| Directors' current accounts | 720,000 | 12,585,561 |
| Other creditors | 1,875,332 | 191,281 |
| Accruals and deferred income | 1,388,143 | 590,628 |
| | <u>36,652,634</u> | <u>43,580,720</u> |

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

**15. Creditors:
Amounts falling due after more than one year**

| | 2015 £ | 2014 £ |
|-----------------------------|-------------------|-----------|
| Directors' current accounts | <u>10,989,344</u> | <u>-</u> |

16. Provisions

| | Onerous lease £ |
|---|-----------------------|
| At 1 September 2014 | 498,468 |
| Charged to the profit and loss account (Note 2) | 161,468 |
| Amounts utilised | (278,608) |
| Unwinding of discounted future costs (Note 8) | 28,662 |
| At 31 August 2015 | <u>409,990</u> |

The onerous lease provision relates to the lease of excess office space at Catherine Place. The directors have therefore provided for the expected future costs of this onerous lease as required.

17. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year amounted to £34,211 (2014 - £47,471). Contributions of £2,882 were outstanding at the end of the year (2014 - £Nil).

18. Operating lease commitments

At 31 August 2015 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings 2015 £ | 2014 £ |
|-----------------------|---------------------------------|----------------|
| Expiry date: | | |
| Between 2 and 5 years | <u>332,500</u> | <u>294,500</u> |

19. Share capital

| | 2015 £ | 2014 £ |
|---|----------------|----------------|
| Allotted, called up and fully paid | | |
| 102,632 Ordinary shares of £1 each | <u>102,632</u> | <u>102,632</u> |

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

20. Reserves

| | Share premium account £ | Capital contribution reserve £ | Profit and loss account £ |
|-----------------------------|----------------------------------|---|---------------------------------|
| At 1 September 2014 | 747,368 | 2,671,504 | (31,475,004) |
| Loss for the financial year | - | - | (9,074,525) |
| Share-based payment | - | 227,933 | - |
| At 31 August 2015 | <u>747,368</u> | <u>2,899,437</u> | <u>(40,549,529)</u> |

The capital contribution reserve relates to share options issued by the company's parent company, Kavalake Limited, in relation to services provided by a director to Gordon Ramsay Holdings Limited (see note 26).

21. Reconciliation of movement in shareholders' deficit

| | 2015 £ | 2014 £ |
|-------------------------------|---------------------|---------------------|
| Opening shareholders' deficit | (27,953,500) | (25,425,709) |
| Loss for the financial year | (9,074,525) | (5,199,295) |
| Share-based payment | 227,933 | 2,671,504 |
| Closing shareholders' deficit | <u>(36,800,092)</u> | <u>(27,953,500)</u> |

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

22. Related party transactions

G J Ramsay is a director and therefore a related party. As at 31 August 2015, G J Ramsay had given personal guarantees totalling £5,000,000 (2014 - £5,000,000) in respect of the group banking facility.

Details of director loan accounts are shown in note 24.

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Kavalake Limited on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

The following entities are considered related parties as they share common directors with the company. The following amounts were due from/(owed to) the below related parties at the balance sheet date as a result of management and trading activities:

| | Management charges to related party £ | Amount due (to)/from related party £ |
|--|--|---|
| 2015 | | |
| Gordon Ramsay (Maze) Limited | 906,516 | (2,719,317) |
| Gordon Ramsay (St James's) Limited | - | (328,636) |
| Gordon Ramsay Plane Food Limited | 571,426 | (2,350,491) |
| Foxtrot Oscar Limited | 30,946 | - |
| Gordon Ramsay (York and Albany) Limited | 252,070 | - |
| Gordon Ramsay Holdings International Limited | - | 5,458,280 |
| Gordon Ramsay (No 2) Limited | 771,542 | (1,377,321) |
| Gordon Ramsay (One New Change) Limited | 562,593 | 1,137,875 |
| Union Street Cafe Limited | 550,126 | - |
| Kavalake Limited | - | (2,514,397) |
| Gordon Ramsay New York LP | - | 1,016 |
| Gordon Ramsay Los Angeles LP | - | (5,865) |
| GR US Licencing LP | - | 126,754 |
| Gordon Ramsay Foundation | - | 1,051 |
| GR Intellectual Property Limited | - | 150 |
| BSK at Hong Kong | - | 4,487 |
| | <hr/> | <hr/> |

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

22. Related party transactions (continued)

| | Management charges to related party £ | Amount due (to)/from related party £ | Non recoverable amount provided for £ |
|--|--|---|--|
| 2014 | | | |
| Gordon Ramsay (Maze) Limited | 928,272 | (2,852,678) | - |
| Gordon Ramsay (St James's) Limited | - | (328,636) | - |
| Gordon Ramsay Plane Food Limited | 490,261 | (1,363,166) | - |
| Foxtrot Oscar Limited | 62,925 | - | (1,313,207) |
| Gordon Ramsay (York and Albany) Limited | 262,059 | - | (1,121,374) |
| G R Logistics Limited | - | 721,067 | (9,508) |
| Gordon Ramsay Holdings International Limited | - | 6,886,278 | - |
| Gordon Ramsay (No 2) Limited | 687,048 | (601,277) | - |
| Gordon Ramsay (One New Change) Limited | 553,977 | 1,467,071 | - |
| Union Street Cafe Limited | 206,492 | 1,041,073 | - |
| Kavalake Limited | - | (2,459,176) | - |
| Gordon Ramsay Los Angeles LP | - | (5,865) | - |
| G R Logistics Limited | - | 721,067 | - |
| Gordon Ramsay Foundation | - | 3,071 | - |

23. Financial commitments

A group loan facility is secured by a debenture over the present and future assets of the company and its subsidiaries and personal guarantees from the directors (see note 22). The loan is repayable over 52 months, commencing July 2013 and interest is chargeable at 4.75% per annum above LIBOR on facilities A - D and 4% per annum above LIBOR on facilities E - F. As at 31 August 2015 the maximum liability was £5,000,000 (2014 - £5,000,000).

24. Director's loan accounts

The following directors had loans owing (from)/to the company during the year. The movement on these loans (included within creditors and debtors) are as follows:

| | As at 1 September 2014 £ | Movement in the year £ | As at 31 August 2015 £ |
|------------|-----------------------------|---------------------------|---------------------------|
| G J Ramsay | (12,585,741) | 876,397 | (11,709,344) |
| S Gillies | 51,632 | (51,507) | 125 |

Gordon Ramsay Holdings Limited

Notes to the Financial Statements For the Year Ended 31 August 2015

25. Ultimate parent undertaking and controlling party

The company is a subsidiary of Kavalake Limited which is the ultimate parent company incorporated in United Kingdom.

The largest and smallest group in which the results of the company are consolidated is that headed by Kavalake Limited, incorporated in United Kingdom. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.

The company's ultimate controlling party is G J Ramsay.

26. Share-based payments

Kavalake Limited, Gordon Ramsay Holdings Limited's parent company, has issued equity-settled share based remuneration for a director in the prior period. The options are in relation to the director providing services to Gordon Ramsay Holdings Limited and so the charge is recognised in this company via a capital contribution from the parent company. Half of the options vested at the date of grant (1 January 2013) and for the other half the only practical vesting condition is that the individual remains an employee of the group over the five year vesting period.

| | 2015 Weighted average exercise price (pence) | 2015 Number | 2014 Weighted average exercise price (pence) | 2014 Number |
|--|--|----------------|--|----------------|
| Outstanding at the beginning of the year | 1 | 23,000 | - | - |
| Granted during the year | - | - | 1 | 23,000 |
| Outstanding at the year end | <u>1</u> | <u>23,000</u> | <u>1</u> | <u>23,000</u> |

The exercise price of options outstanding at the end of the year were all 1p and their weighted average contractual life was 1.5 years (2014 - 2.5 years).

Of the total number of options outstanding at the end of the year, 16,100 had vested and were exercisable at the end of the year (2014 - 13,800).

The directors have estimated the fair value of the options granted at 1 January 2013 using an equity value derived from a multiple of 8.1 x EBITDA.

The share-based remuneration expense (note 4) comprises:

| | 2015 £ | 2014 £ |
|------------------------|----------------|------------------|
| Equity-settled schemes | <u>227,933</u> | <u>2,671,504</u> |