

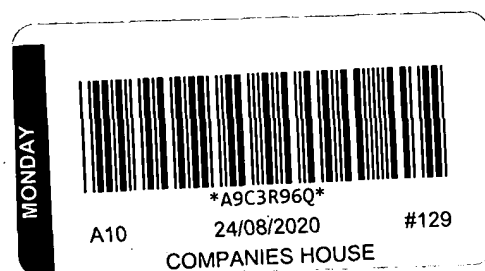
Gordon Ramsay (No. 1) Limited

Report and Financial Statements

Year Ended

31 August 2019

Company Number 04171511



Gordon Ramsay (No. 1) Limited

Company Information

Directors	G J Ramsay A Wenlock
Registered number	04171511
Registered office	539-547 Wandsworth Road London SW8 3JD United Kingdom
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Gordon Ramsay (No. 1) Limited

Contents

	Page
Statement of financial position	1
Statement of changes in equity	2
Notes to the financial statements	3 - 11

Gordon Ramsay (No. 1) Limited

Registered number: 04171511

Statement of Financial Position as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	-	9,155
Current assets			
Stocks		14,300	20,321
Debtors: amounts falling due after more than one year	6	60,000	60,000
Debtors: amounts falling due within one year	6	122,444	129,464
Cash and cash equivalents		8,868	7,374
		<u>205,612</u>	<u>217,159</u>
Creditors: amounts falling due within one year	7	<u>(2,403,818)</u>	<u>(2,236,126)</u>
Net current liabilities		(2,198,206)	(2,018,967)
Provisions for liabilities			
Other provisions	8	<u>(222,265)</u>	<u>-</u>
Net liabilities		<u>(2,420,471)</u>	<u>(2,009,812)</u>
Capital and reserves			
Share capital	9	100,000	100,000
Accumulated losses	10	<u>(2,520,471)</u>	<u>(2,109,812)</u>
		<u>(2,420,471)</u>	<u>(2,009,812)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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


.....
A Wenlock
Director

Date: 17/08/20

The notes on pages 3 to 11 form part of these financial statements.

Gordon Ramsay (No. 1) Limited

Statement of Changes in Equity for the Year Ended 31 August 2019

	Share capital £	Accumulated losses £	Total equity £
At 1 September 2018	100,000	(2,109,812)	(2,009,812)
Comprehensive loss for the year			
Loss and total comprehensive loss for the year	-	(410,659)	(410,659)
At 31 August 2019	100,000	(2,520,471)	(2,420,471)

Statement of Changes in Equity for the Year Ended 31 August 2018

	Share capital £	Accumulated losses £	Total equity £
At 1 September 2017	100,000	(2,052,678)	(1,952,678)
Comprehensive loss for the year			
Loss and total comprehensive loss for the year	-	(57,134)	(57,134)
At 31 August 2018	100,000	(2,109,812)	(2,009,812)

The notes on pages 3 to 11 form part of these financial statements.

Gordon Ramsay (No. 1) Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

1. General information

Gordon Ramsay (No. 1) Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

The report of the auditor of the financial statements prepared for the shareholders was signed by Ed Green-Wilkinson, senior statutory auditor for and on behalf of BDO LLP, statutory auditor and was unqualified.

These financial statements are presented in Pounds Sterling (GBP) and are reported to the nearest pound.

The company has determined that GBP is its functional currency.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Gordon Ramsay Restaurants Limited as at 31 August 2019 and these financial statements may be obtained from Companies House.

Gordon Ramsay (No. 1) Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

2. Accounting policies (continued)

2.3 Going concern

The entity is part of the Gordon Ramsay Restaurants group, management forecast and take decisions for the group as a whole and therefore the consideration of going concern is as a group. A letter of ongoing support has been provided by the parent entity which confirms this position.

The Covid19 pandemic has had a significant impact on the group. The group was required to close all of its sites following the Government ordered "lockdown". The group was able to support its staff through the Government's Coronavirus job retention scheme, negotiate concessions from landlords across the estate, negotiate more flexible payment terms with key creditors and agree waivers and secure additional funding from its bank, as well as its significant shareholder.

The group is now able to reopen sites and has been doing this over recent weeks. The directors have prepared cashflow forecasts which indicate that the group will be able to meet its liabilities as they fall due for a period of at least 12 months from the approval of the financial statements. These projections include a steady increase in trade as customers get used to eating out again and confidence continues to grow in the safety of doing so. These projections also incorporate mitigating actions the company and Group has taken to reduce costs, including delaying planned capital expenditure and reducing variable costs, as well as incorporating government support initiatives, including a 12 month business rates waiver, increasing loan financing from the group's bank and significant shareholder and rent concessions.

The Group is fortunate to benefit from the strong support of its bankers and its significant shareholder and the Group's main facilities from each include committed additional as yet undrawn funds available to the Group, should these be required.

It is difficult to estimate how the COVID-19 outbreak will impact the Group's trading and for how long, and the Directors consider this as a level of uncertainty over which they have no control. In the event that trade took longer to pick up than forecast, or that additional lockdowns, national or local to the Group's core sites, were put in place or additional social distancing measures introduced over the forecast period, then the Group may need to take additional mitigating actions.

The Directors are satisfied that trading since re-opening is ahead of forecast, but the sites have only been opened for a limited period of time to date and so it is difficult to project with any degree of certainty how the trends will develop. However, with the headroom within the Group's forecast and the committed undrawn funds available to the Group the Directors are comfortable that the business is as prepared as it can be to rebuild its operations with the ability to withstand reasonably possible downside scenarios should they arise. Therefore, the expectation of the Directors is that they will be able to meet liabilities as they fall due over a period of at least 12 months.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Gordon Ramsay (No. 1) Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings leasehold - over lease period
Fixtures, fittings and equipment - 15% straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.5 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 costs to completion and disposal.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Creditors

Short term creditors are measured at the transaction price.

2.8 Leased assets

All leases are treated as operating leases. Their annual rentals are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

FRS 102 effectively requires that the benefit of lease incentives received on entering into new leases be spread over the lease term. Under previous UK GAAP these incentives were spread over the period to the next market rent review. The group has taken the optional exemption available under FRS 102 to continue to spread such incentives over the periods previously used for those leases entered into before the date of transition to FRS 102, being 1 September 2014.

2.9 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. The assets of the plan are held separately from the company in independently administered funds.

2.10 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 obligations under the lease.

Gordon Ramsay (No. 1) Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

2. Accounting policies (continued)

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

Gordon Ramsay (No. 1) Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determine whether there are onerous leases which due to committed future periods of rental charges result in unavoidable costs not covered by trading or other uses of the lease.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 5)
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Employees

	2019 £	2018 £
Wages and salaries	358,009	388,274
Social security costs	24,242	27,134
Cost of defined contribution scheme	6,337	4,420
	<u>388,588</u>	<u>419,828</u>

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

	2019 No.	2018 No.
Restaurant staff	20	17
Directors	2	2
	<u>22</u>	<u>19</u>

During the year, no directors received any emoluments (2018 - £Nil).

Gordon Ramsay (No. 1) Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

5. Tangible fixed assets

	Land and buildings leasehold £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 September 2018	129,883	875,714	1,005,597
Additions	-	7,448	7,448
At 31 August 2019	<u>129,883</u>	<u>883,162</u>	<u>1,013,045</u>
Depreciation			
At 1 September 2018	129,883	866,559	996,442
Charge for the year	-	2,177	2,177
Impairment charge	-	14,426	14,426
At 31 August 2019	<u>129,883</u>	<u>883,162</u>	<u>1,013,045</u>
Net book value			
At 31 August 2019	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2018	<u>-</u>	<u>9,155</u>	<u>9,155</u>

6. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	<u>60,000</u>	<u>60,000</u>
Due within one year		
Trade debtors	-	430
Amounts owed by group undertakings	87,054	89,790
Other debtors	13,308	12,083
Prepayments and accrued income	22,082	27,161
	<u>122,444</u>	<u>129,464</u>

Gordon Ramsay (No. 1) Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	87,886	109,358
Amounts owed to group undertakings	2,216,379	2,049,483
Other taxation and social security	37,048	40,726
Other creditors	14,315	14,217
Accruals and deferred income	48,190	22,342
	<u>2,403,818</u>	<u>2,236,126</u>

8. Provisions

	Onerous lease provision £
At 1 September 2018	-
Credited to the income statement (see note)	222,265
At 31 August 2019	<u>222,265</u>

The provision relates to the lease of the London House restaurant.

9. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

10. Reserves

Accumulated losses

Accumulated losses represents cumulative profits or losses, net of dividends paid and other adjustments.

Gordon Ramsay (No. 1) Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

11. 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 £6,337 (2018 - £4,420). Contributions totalling £2,636 (2018 - £2,165) were payable to the fund at the reporting date.

12. Commitments under operating leases

At 31 August 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	50,000	50,000
Later than 1 year and not later than 5 years	127,123	177,260
	<u>177,123</u>	<u>227,260</u>

13. Financial commitments

In the year ended 31 August 2018 the ultimate parent company, Gordon Ramsay Restaurants Limited, agreed a new banking facility with Barclays. This is an increased 5 year facility that will mature in 2023.

A group loan facility is secured by a debenture over the present and future assets of the company and personal guarantees from the directors (see note 14). The loan is repayable over 60 months, commencing 28 February 2018 and interest is chargeable at a variable rate of interest plus LIBOR dependent on the leverage ratio of the group.

Gordon Ramsay (No. 1) Limited

Notes to the Financial Statements for the Year Ended 31 August 2019

14. Related party transactions

As at 31 August 2019, G J Ramsay had given personal guarantees totalling £5,000,000 (2018 - £5,000,000) in respect of the group banking facility.

During the year, management charges of £90,745 (2018 - £102,841) were payable to Gordon Ramsay Holdings Limited.

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

The below entities were considered related parties as they share common directors with the company and are controlled by the same ultimate parent company. The following amounts were (owed to)/due from the below related parties at the reporting date as a result of the group's financing, management and trading activities:

Related party transactions and balances

	As at 1 September 2018 £	Net movements £	As at 31 August 2019 £
Foxtrot Oscar Limited	5,241	977	6,218
Gordon Ramsay (Maze) Limited	604	-	604
Gordon Ramsay (No. 2) Limited	1,503	-	1,503
Gordon Ramsay (One New Change) Limited	(5,155)	(11,411)	(16,566)
Gordon Ramsay Plane Food Limited	26,521	(3,326)	23,195
Gordon Ramsay (York and Albany) Limited	7,550	(391)	7,159
Gordon Ramsay Restaurants Limited	(115,146)	(107,833)	(222,979)
Union Street Cafe Limited	442,577	(692,374)	(249,797)

15. Post balance sheet events

Due to Government requirements following the Covid-19 pandemic, all of the restaurants in the estate were closed with effect from 21 March 2020. This has had a significant impact on the business and resulted in the furlough of staff, changes in the rent profile, covenant waivers and deferral of certain liabilities. The estate is now being reopened in a phased manner but the full impact of the pandemic is not yet known.

16. Ultimate parent undertaking and controlling party

The company is a subsidiary of Gordon Ramsay Restaurants Limited which is the ultimate parent company incorporated in the United Kingdom. The immediate parent company is Gordon Ramsay Holdings Limited, a company incorporated in the United Kingdom.

The largest and smallest group in which the results of the company are consolidated is that headed by Gordon Ramsay Restaurants Limited, incorporated in the 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.