

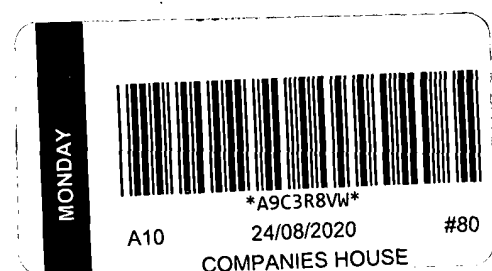
**Gordon Ramsay Restaurants
Limited**

Report and Financial Statements

Year Ended

31 August 2019

Company Number 07360142



Gordon Ramsay Restaurants Limited

Company Information

Directors	G J Ramsay A Wenlock
Registered number	07360142
Registered office	539 - 547 Wandsworth Road London SW8 3JD United Kingdom
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Gordon Ramsay Restaurants Limited

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Gordon Ramsay Restaurants Limited

Group Strategic Report for the Year Ended 31 August 2019

The directors present their strategic report together with the audited financial statements for the year ended 31 August 2019.

Principal activities

On 6 December 2018, the company changed its name from Kavalake Limited to Gordon Ramsay Restaurants Limited.

Gordon Ramsay Restaurants Limited and its subsidiary companies (the "group") hold an interest in fourteen London based restaurants, in addition there are licence agreements for 10 restaurants in various locations around the world.

The restaurants operated by the group are some of London's most famous dining establishments, including the three Michelin star Restaurant Gordon Ramsay, the one Michelin star Petrus, Savoy Grill and Lucky Cat by Gordon Ramsay. The group also operates a wide range of casual dining restaurants that include Bread Street Kitchen, Gordon Ramsay Plane Food at Heathrow Airport Terminal 5, Heddon Street Kitchen, Union Street Café and London House.

Business review

On 25th June 2019, the group assigned the benefits of its licence agreements in the USA to entities owned by Gordon Ramsay North America, LLC ("GRNA"). GRNA is a joint venture between Lion Capital LLP and Gordon Ramsay, a director and ultimate owner of the group. GRNA has the exclusive rights to develop Gordon Ramsay branded restaurants in North America, Canada and the Caribbean where it has plans to open up to 200 restaurants as well as continuing to grow its already very successful licence business with its other partners.

After signing a new 10-year lease at the old Maze/Maze Grill site in Grosvenor Square Mayfair, the group launched a new concept in June 2019, Lucky Cat by Gordon Ramsay, an Asian inspired eating house and vibrant late-night lounge. Maze Grill, at the same property was closed and the first Gordon Ramsay Bar & Grill opened later in the year.

The consolidated turnover for the group for the year to 31 August 2019 grew to £54.7m (2018 - £53.6m), an increase of 2.1%. The growth in turnover was driven by a strong underlying like for like sales performance in the core restaurant group achieved by the investment and optimisation of its digital & social strategy as well its focus on guest retention through its CRM programme.

Adjusted EBITDA* has shown growth of 26.9% to £6.6m (2018 - £5.2m) through a combination of sales growth and operational efficiencies primarily driven by a central procurement strategy. Despite a challenging marketplace and "external noise" the group has been able to negotiate significant cost benefits with all suppliers on food, beverage and consumables. The group also continues to invest into its assets, infrastructure, technology and outsourcing whilst maintaining a keen eye on the cost base of its head office overheads with a drive for efficiency at all times.

The group made a profit before tax of £15.2m during the year (2018 - £0.5m).

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

Gordon Ramsay Restaurants Limited

Group Strategic Report (continued) for the Year Ended 31 August 2019

Future developments

As part of the global growth strategy the business is actively engaged with 3rd party investors both in the UK and the Asian markets. There are plans for a rollout across the UK for the Bread Street Kitchen concept and various casual/quick serve dining propositions across Asia. The group believes it can open up to 50 sites over the next 5 years in the UK and 200 within Asia.

2020 will see the launch of the inaugural Gordon Ramsay Academy, an exciting business venture which plays to the heart of Gordon's passion of seeing young talent being developed. In regards to the restaurants, there will be a third Street Pizza concept in Southwark and the new Street Burger concept will open sites both inside and outside of London.

Internationally the group will open a Gordon Ramsay Pub & Grill in Macau, with the opening expected to be in autumn 2020. The group has renewed its licence agreements in France from February 2020 for a further 5 years and its focus will continue to elevate the two-star Michelin restaurant in Bordeaux and the one-star Michelin restaurant in Versailles.

Key performance indicators

In line with our operating objectives, the group use both financial and non financial KPI's. These are monitored on a daily, weekly, monthly basis. KPI's are used to measure our primary objectives of the business and the performance of the restaurants.

KPI's used to measure performance include turnover, food, beverage and labour margins, gross profit and adjusted EBITDA.

Profit and loss summary

	2019 £m	2018 £m
Turnover	54.7	53.6
Gross profit	27.3	27.3
Adjusted EBITDA *	6.6	5.2

Principal risks and uncertainties

The variety of concepts and choice of location throughout London helps to minimise any risk of dependency on one brand or economic area.

Like any consumer facing business, any softness within the economic climate may have an adverse impact. The global spread of our restaurants means the business is not reliant upon one location and is therefore well placed to adapt and adjust to softer trading conditions.

The current state of the UK economy and ability to operate the restaurant estate: The recent COVID-19 pandemic resulted in the complete closure of the estate. While the group has been able to support its staff through the government's Coronavirus job retention scheme, and has now reopened the majority of its restaurants, it is clear that the economy has suffered significantly as a result of the pandemic which presents a risk to any consumer business. In addition, we are seeing localised lockdowns and restrictions being put in place in the UK and across Europe and any actions taken in the future which limits the ability of the group to operate as forecast will have a significant impact on its revenues and profits. The group has acted decisively to be as prepared as possible for these future uncertainties and the directors are confident in the long term future of the group.

Gordon Ramsay Restaurants Limited

Group Strategic Report (continued) for the Year Ended 31 August 2019

Capital risk management

The group 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 group consists of equity (this being issued share capital, share premium and retained earnings), shareholder debt, bank debt, cash and cash equivalents. The group monitors its capital structure on a regular basis through cash flow reporting and forecasting.

Foreign exchange risk

The group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Pound Sterling (£). The group 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 group's transactions remain Sterling denominated, the group does not consider it necessary to enter into foreign exchange contracts to manage its current foreign exchange risks.

Liquidity risk

The group manages its exposure to liquidity risk through a naturally low level of debtors, maintaining a diversity of funding sources and the spreading of debt repayments over a range of maturities. The hospitality sector has faced a number of challenges which could impact liquidity. To manage liquidity risk, the group prepares regular working capital forecasts to assess cash requirements. The risk posed by liquidity has been considered and we are satisfied, with the support of the group's controlling shareholder if necessary, there is sufficient funding available in the group to meet its requirements.

Interest rate risk

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

Employees

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

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

The group 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 retraining of employees who become disabled whilst employed within the company is ensured. The group 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.

Gordon Ramsay Restaurants Limited

Group Strategic Report (continued) for the Year Ended 31 August 2019

Going Concern

The COVID-19 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.

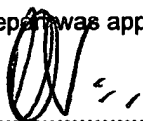
The group is now able to reopen sites and has been doing this over recent weeks. The directors have prepared cashflow forecasts which indicate that the group will be able to meet its liabilities as they fall due for a period of at least 12 months from the approval of the financial statements. These projections 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.

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



.....
A Wenlock
Director

Date: 17/08/20

Gordon Ramsay Restaurants Limited

Directors' Report for the Year Ended 31 August 2019

The directors present their report and the financial statements for the year ended 31 August 2019.

Directors' responsibilities

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £11,909,000 (2018 - £81,000).

The statement of comprehensive income is set out on page 10 and shows the result for the year.

The directors do not recommend the payment of a dividend (2018 - £Nil).

Directors

The directors who served during the year were:

G J Ramsay
A Wenlock

Risks and uncertainties and likely future developments

Details of the directors' considerations of risks and uncertainties along with likely future developments of the group are contained within the strategic report on pages 1 - 4.

Gordon Ramsay Restaurants Limited

Directors' Report (continued) for the Year Ended 31 August 2019

Disclosure of information to auditor

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

- so far as the directors are aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.


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.

Auditor

The auditor, 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.



.....
A Wenlock
Director

Date: 17/08/20

Gordon Ramsay Restaurants Limited

Independent Auditor's Report to the Members of Gordon Ramsay Restaurants Limited

Opinion

We have audited the financial statements of Gordon Ramsay Restaurants Limited ("the parent company") and its subsidiaries ("the group") for the year ended 31 August 2019 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 group or the parent 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.

Gordon Ramsay Restaurants Limited

Independent Auditor's Report to the Members of Gordon Ramsay Restaurants Limited (continued)

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 the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Gordon Ramsay Restaurants Limited

Independent Auditor's Report to the Members of Gordon Ramsay Restaurants Limited (continued)

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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark R A Edwards (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 19 August 2020

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

Gordon Ramsay Restaurants Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 August 2019

	Note	2019 £000	2018 £000
Turnover	5	54,739	53,630
Cost of sales		(27,476)	(26,358)
Gross profit		27,263	27,272
Administrative expenses		(10,756)	(25,599)
Adjusted EBITDA*		6,613	5,154
Depreciation and amortisation	6	(2,246)	(2,175)
Exceptional administrative expenses	4	12,140	(1,306)
Operating profit	6	16,507	1,673
Interest receivable and similar income		3	-
Interest payable and similar charges	9	(1,324)	(1,133)
Profit before taxation		15,186	540
Tax on profit	10	(3,149)	(465)
Profit for the financial year		12,037	75
Foreign exchange movement		-	(20)
Total comprehensive income for the year		12,037	55
Profit for the year attributable to:			
Non-controlling interests		128	(6)
Owners of the parent company		11,909	81
		12,037	75
Total comprehensive income for the year attributable to:			
Non-controlling interests		128	(6)
Owners of the parent company		11,909	61
		12,037	55

All amounts relate to continuing operations.

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

The notes on pages 19 to 41 form part of these financial statements.

Gordon Ramsay Restaurants Limited
Registered number:07360142

**Consolidated Statement of Financial Position
as at 31 August 2019**


	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	11	474	311
Tangible assets	12	17,333	14,775
		<u>17,807</u>	<u>15,086</u>
Current assets			
Stocks	14	1,238	1,156
Debtors: amounts falling due after more than one year	15	765	765
Debtors: amounts falling due within one year	15	4,246	5,028
Cash and cash equivalents	16	2,613	399
		<u>8,862</u>	<u>7,348</u>
Creditors: amounts falling due within one year	17	(25,601)	(28,889)
Net current liabilities		<u>(16,739)</u>	<u>(21,541)</u>
Total assets less current liabilities		<u>1,068</u>	<u>(6,455)</u>
Creditors: amounts falling due after more than one year	18	(5,623)	(10,690)
Provisions for liabilities			
Deferred taxation	21	(140)	-
Other provisions	22	(7,025)	(6,612)
Net liabilities		<u>(11,720)</u>	<u>(23,757)</u>

Gordon Ramsay Restaurants Limited
Registered number:07360142

Consolidated Statement of Financial Position (continued)
as at 31 August 2019

		2019	2018
	Note	£000	£000
Capital and reserves			
Share capital	26	2	2
Foreign exchange reserve	27	(67)	(67)
Other reserves	27	1,100	1,100
Accumulated losses	27	(13,043)	(24,952)
Equity attributable to owners of the parent company		<u>(12,008)</u>	<u>(23,917)</u>
Non-controlling interests		288	160
		<u><u>(11,720)</u></u>	<u><u>(23,757)</u></u>

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 19 to 41 form part of these financial statements.

Gordon Ramsay Restaurants Limited

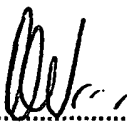
Registered number: 07360142

Company Statement of Financial Position as at 31 August 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	13	3,038	3,038
Current assets			
Debtors: amounts falling due within one year	15	5,730	6,904
Cash and cash equivalents	16	-	97
		<u>5,730</u>	<u>7,001</u>
Creditors: amounts falling due within one year	17	(10,687)	(5,907)
Net current (liabilities)/assets		<u>(4,957)</u>	<u>1,094</u>
Total assets less current liabilities		<u>(1,919)</u>	<u>4,132</u>
Creditors: amounts falling due after more than one year	18	(5,623)	(10,690)
Net liabilities		<u>(7,542)</u>	<u>(6,558)</u>
Capital and reserves			
Share capital	26	2	2
Other reserves	27	3,036	3,036
Accumulated losses	27	(10,580)	(9,596)
		<u>(7,542)</u>	<u>(6,558)</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £984,000 (2018 - £528,000).

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 19 to 41 form part of these financial statements.

Gordon Ramsay Restaurants Limited

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

	Share capital	Foreign exchange reserve	Other reserves	Accumulated losses	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 September 2018	2	(67)	1,100	(24,952)	(23,917)	160	(23,757)
Comprehensive income for the year							
Profit for the year	-	-	-	11,909	11,909	128	12,037
At 31 August 2019	2	(67)	1,100	(13,043)	(12,008)	288	(11,720)

The notes on pages 19 to 41 form part of these financial statements.

Gordon Ramsay Restaurants Limited

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

	Share capital	Foreign exchange reserve	Other reserves	Accumulated losses	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 September 2017	2	(47)	1,100	(25,033)	(23,978)	166	(23,812)
Comprehensive income for the year							
Profit for the year	-	-	-	81	81	(6)	75
Foreign exchange movement	-	(20)	-	-	(20)	-	(20)
At 31 August 2018	2	(67)	1,100	(24,952)	(23,917)	160	(23,757)

The notes on pages 19 to 41 form part of these financial statements.

Gordon Ramsay Restaurants Limited

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

	Share capital £000	Other reserves £000	Accumulated losses £000	Total equity £000
At 1 September 2018	2	3,036	(9,596)	(6,558)
Comprehensive loss for the year				
Loss for the year	-	-	(984)	(984)
At 31 August 2019	2	3,036	(10,580)	(7,542)

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

	Share capital £000	Other reserves £000	Accumulated losses £000	Total equity £000
At 1 September 2017	2	3,036	(9,068)	(6,030)
Comprehensive loss for the year				
Loss for the year	-	-	(528)	(528)
At 31 August 2018	2	3,036	(9,596)	(6,558)

The notes on pages 19 to 41 form part of these financial statements.

Gordon Ramsay Restaurants Limited

Consolidated Statement of Cash Flows for the Year Ended 31 August 2019

	2019 £000	2018 £000
Cash flows from operating activities		
Profit for the financial year	12,037	75
Adjustments for:		
Amortisation of intangible fixed assets	94	48
Depreciation of tangible fixed assets	2,152	2,127
Impairment of tangible fixed assets	480	61
Loss/(profit) on disposal of tangible assets	98	(40)
Sale of US licence agreements	(15,539)	-
Interest charged to income statement	1,324	1,133
Taxation charged to income statement	3,149	465
Increase in stocks	(82)	(164)
Decrease in debtors	491	26
Decrease in creditors	(1,034)	(2,308)
Increase/(decrease) in provisions	39	(650)
UK and overseas corporation tax received/(paid)	(199)	(316)
Foreign exchange movement	-	(20)
Net cash generated from operating activities	3,010	437
Cash flows from investing activities		
Purchase of intangible fixed assets	(257)	(188)
Purchase of tangible fixed assets	(5,291)	(2,202)
Sale of tangible fixed assets	3	62
Sale of US licence agreements	15,539	-
Net cash used in investing activities	9,994	(2,328)

Gordon Ramsay Restaurants Limited

Consolidated Statement of Cash Flows (continued) for the Year Ended 31 August 2019

	2019 £000	2018 £000
Cash flows from financing activities		
New secured bank loans	-	3,200
Repayment of bank loans	(4,530)	-
Repayment of directors loans	(4,749)	(316)
Interest paid	(670)	(748)
Net cash generated from financing activities	<u>(9,949)</u>	<u>2,136</u>
Net increase in cash and cash equivalents	<u>3,055</u>	<u>245</u>
Cash and cash equivalents at beginning of year	(578)	(823)
Cash and cash equivalents at the end of year	<u><u>2,477</u></u>	<u><u>(578)</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,613	399
Bank overdrafts	(136)	(977)
	<u><u>2,477</u></u>	<u><u>(578)</u></u>

The notes on pages 19 to 41 form part of these financial statements.

Gordon Ramsay Restaurants Limited

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

1. General information

Gordon Ramsay Restaurants 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 strategic report.

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

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 group management to exercise judgement in applying the group's accounting policies (see note 3).

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the company and the parent company would be identical;
- No statement of cash flows has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

Gordon Ramsay Restaurants Limited

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

2. Accounting policies (continued)

2.3 Going concern

The COVID-19 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.

Gordon Ramsay Restaurants Limited

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

2. Accounting policies (continued)

2.4 Turnover

The group's revenues are derived from the sale of food and beverage, hotel rooms and related services provided to customers, and from consultancy services and licence fees for use of the group's brands.

Food and beverage

Revenue is recognised when the amounts are earned and can reasonably be estimated. These revenues are recorded net of value added tax and tips collected from customers and are recognised as the related services are delivered.

Hotel rooms

Hotel revenue, net of VAT, is recognised when the rooms are occupied and the services are performed. Deferred revenue consisting of deposits paid in advance is recognised as revenue when the related services are delivered.

Consultancy services and licence fees

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

Rental income

Rental income is recognised when the services are provided to the customers and are net of value added tax.

2.5 Intangible assets

Goodwill

Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the income statement over the directors' estimate of its useful economic life, which is 10 years. Impairment tests on the carrying value of goodwill are undertaken:

- in the period of acquisition and at the end of the first full financial year following acquisition.
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets, except development costs, are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Software	- 15% straight line
Development costs	- 15% straight line

Gordon Ramsay Restaurants Limited

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

2. Accounting policies (continued)

2.6 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.

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:

Leasehold land and buildings	- straight line over lease period
Fixtures, fittings and equipment	- 15% straight line
Assets under construction	- not depreciated

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

2.7 Impairment of fixed assets and goodwill

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

2.8 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.

2.9 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.

2.10 Leased assets

All leases are treated as operating leases. Their annual rentals are charged to the income statement 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.

The aggregate value of incentives received on the signing of a lease are treated as a reduction in the rent charge and allocated over the term of the lease.

Gordon Ramsay Restaurants 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 income statement 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 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.13 Debtors

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

2.14 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Gordon Ramsay Restaurants Limited

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

2. Accounting policies (continued)

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated 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 and the group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.17 Foreign currency translation

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Any differences are taken to the income statement.

The results of overseas operations are translated at the average rates of exchange during the year and the statement of financial position translated into Sterling at the rates of exchange ruling on the reporting date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

All other differences are taken to the income statement with the exception of differences on foreign currency borrowings used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

Gordon Ramsay Restaurants Limited

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

2. Accounting policies (continued)

2.18 Joint ventures

An entity is treated as a joint venture where the group holds a long term interest and shares control under a contractual agreement.

In the group accounts, interests in joint ventures are accounted for using the gross equity method of accounting. The consolidated statement of comprehensive income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings. In the consolidated statement of financial position, the interests in joint ventures is shown as the group's share of the identifiable net assets.

2.19 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

2.21 Exceptional items

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

2.22 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Gordon Ramsay Restaurants 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 group 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 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.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 12)**
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.
- **Investments (see note 13)**
Determining whether the company's investments in its subsidiaries have any indicators of impairment. Where such indicators exist, the directors estimate the recoverable amount of the investment. Assessments include the review of current trading performance and future expected cash flows expected to arise from the investments. The carrying amount of the investments in the subsidiaries at the reporting date was £3,037,265 (2018 - £3,037,265) with no provisions recognised in 2019 or 2018.

4. Exceptional items

	2019 £000	2018 £000
Legal and compliance costs	317	901
Pre-opening costs	1,061	394
Increase/(decrease) in provisions (see note 22)	722	(10)
Loss/(profit) on disposal of fixed assets	98	(40)
Impairment of fixed assets	480	61
Gain on sale of US licence agreements	(14,818)	-
	(12,140)	1,306

Gordon Ramsay Restaurants Limited

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

5. Turnover

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	49,259	48,094
Rest of the world	5,480	5,536
	<u>54,739</u>	<u>53,630</u>

Turnover is wholly attributable to the principal activity of the group.

6. Operating profit

The operating profit is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets	2,152	2,127
Amortisation of intangible fixed assets	94	48
Auditors' remuneration:		
- fees payable to the group's current auditor for the audit of the company's annual accounts	30	25
- fees payable to the group's current auditor for the audit of the subsidiaries' annual accounts	78	71
- other taxation services	69	87
- all other services	40	42
Exchange differences	(119)	85
Operating lease rentals	<u>6,664</u>	<u>6,376</u>

Gordon Ramsay Restaurants Limited

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

7. Employees

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

	Group 2019 £000	Group 2018 £000
Wages and salaries	16,262	16,147
Social security costs	1,669	1,593
Cost of defined contribution scheme	341	219
	<u>18,272</u>	<u>17,959</u>

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

	2019 No.	2018 No.
Head office	61	60
Restaurant staff	797	702
Directors	2	2
	<u>860</u>	<u>764</u>

8. Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	417	451

During the year retirement benefits were accruing to no directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £417,000 (2018 - £266,634).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2018 - £Nil).

Gordon Ramsay Restaurants Limited

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

9. Interest payable and similar charges

	2019 £000	2018 £000
Bank interest payable	675	637
Release of deferred loan fee	280	111
Unwinding of the discounted future costs (see note 22)	369	385
	<u>1,324</u>	<u>1,133</u>

10. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	2,837	24
	<u>2,837</u>	<u>24</u>
Double taxation relief	(29)	(24)
	<u>2,808</u>	<u>-</u>
Foreign tax		
Foreign tax on income for the year	191	218
Foreign tax in respect of prior periods	-	(26)
Total current tax	<u>2,999</u>	<u>192</u>
Deferred tax		
Origination and reversal of timing differences	153	525
Adjustments in respect of previous periods	(3)	(252)
Total deferred tax	<u>150</u>	<u>273</u>
Taxation on profit on ordinary activities	<u>3,149</u>	<u>465</u>

Gordon Ramsay Restaurants Limited

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

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	15,186	540
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	2,885	103
Effects of:		
Fixed asset differences	301	226
Expenses not deductible for tax purposes	19	98
Foreign tax - other	22	(7)
Adjustments in respect of prior periods - deferred tax	(3)	(252)
Timing differences not recognised in the computation	-	531
Deferred tax not recognised	(36)	(119)
Other differences	(39)	(115)
Total tax charge for the year	3,149	465

Factors that may affect future tax charges

In addition to the deferred tax liability of £140,597 (2018 - asset of £10,878) that has been recognised (see note 21), a deferred tax asset of £872,416 (2018 - £946,841) was not recognised in respect of losses carried forward in different group companies, as there was insufficient evidence that those losses would be recovered.

Gordon Ramsay Restaurants Limited

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

11. Intangible assets

Group

	Software £000	Development costs £000	Goodwill £000	Total £000
Cost				
At 1 September 2018	114	74	961	1,149
Additions	257	-	-	257
Transfer between classes	74	(74)	-	-
At 31 August 2019	445	-	961	1,406
Amortisation				
At 1 September 2018	5	-	833	838
Charge for the year	51	-	43	94
At 31 August 2019	56	-	876	932
Net book value				
At 31 August 2019	389	-	85	474
At 31 August 2018	109	74	128	311

Gordon Ramsay Restaurants Limited

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

12. Tangible fixed assets

Group

	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets under construction £000	Total £000
Cost				
At 1 September 2018	20,645	9,145	322	30,112
Additions	3,670	1,591	30	5,291
Disposals	(8)	(208)	-	(216)
Transfers between classes	175	77	(252)	-
At 31 August 2019	24,482	10,605	100	35,187
Depreciation				
At 1 September 2018	9,302	6,035	-	15,337
Charge for the year	1,243	909	-	2,152
Disposals	(8)	(107)	-	(115)
Impairment charge	315	165	-	480
At 31 August 2019	10,852	7,002	-	17,854
Net book value				
At 31 August 2019	13,630	3,603	100	17,333
At 31 August 2018	11,343	3,110	322	14,775

Gordon Ramsay Restaurants Limited

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

13. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 September 2018	3,038
At 31 August 2019	3,038
Net book value	
At 31 August 2019	3,038
At 31 August 2018	3,038

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the statement of financial position.

Subsidiary undertakings, associated undertakings and other investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Principal activity	Class of shares	Holding
Gordon Ramsay Holdings Limited	UK	Holding company	Ordinary	99%
Gordon Ramsay Holdings International Limited	UK	Holding company	Ordinary	100%
Artichoke Consultancy Limited*	UK	Holding company	Ordinary	99%
Gordon Ramsay (Royal Hospital Road) Limited*	UK	Operating a restaurant	Ordinary	99%
Gordon Ramsay at Claridge's Limited*	UK	Not trading	Ordinary	99%
Gordon Ramsay at the Connaught Limited*	UK	Not trading	Ordinary	99%
Gordon Ramsay at the Berkeley Limited*	UK	Not trading	Ordinary	99%
Gordon Ramsay (Maze) Limited*	UK	Operating a restaurant	Ordinary	89%
Gordon Ramsay (St James's) Limited*	UK	Not trading	Ordinary	89%
Gordon Ramsay (No. 1) Limited*	UK	Operating a restaurant	Ordinary	99%
La Noisette Restaurant Limited*	UK	Not trading	Ordinary	99%
Gordon Ramsay at the Savoy Grill Limited*	UK	Not trading	Ordinary	99%

Gordon Ramsay Restaurants Limited

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

13. Fixed asset investments (continued)

London House Operating Company Limited*	UK	Not trading	Ordinary	99%
Gordon Ramsay (Narrow Street) Limited*	UK	Operating a restaurant	Ordinary	99%
London House Restaurants Limited*	UK	Not trading	Ordinary	100%
G R Logistics Limited*	UK	Not trading	Ordinary	100%
Foxtrot Oscar Holdings Limited*	UK	Holding company	Ordinary	100%
Foxtrot Oscar Limited*	UK	Operating a restaurant	Ordinary	100%
Gordon Ramsay (York and Albany) Limited*	UK	Operating a restaurant and hotel	Ordinary	100%
Gordon Ramsay Plane Food Limited*	UK	Operating a restaurant	Ordinary	100%
Gordon Ramsay (No. 2) Limited*	UK	Operating a restaurant	Ordinary	100%
Gordon Ramsay (One New Change) Limited*	UK	Operating a restaurant	Ordinary	100%
Petrus (Kinnerton Street) Limited*	UK	Operating a restaurant	Ordinary	99%
Union Street Cafe Limited	UK	Operating a restaurant	Ordinary	100%
Busyn Limited*	UK	Operating a restaurant	Ordinary	100%
Sparkle Restaurants Limited*	UK	Providing back of house staff for restaurants	Ordinary	99%
Gordon Ramsay International Talent Limited*	UK	Not trading	Ordinary	99%
G R BurGR LLC*	USA	Restaurant franchise income	Ordinary	50%
The Fat Cow LLC*	USA	Not trading	Ordinary	50%
Bread Street Kitchen Pte Limited	Singapore	Restaurant franchise income	Ordinary	100%
GR Macau Limited	Hong Kong	Not trading	Ordinary	100%
RB Restaurant Ventures LLC*	USA	Restaurant franchise income	Ordinary	100%
GR US Topco LLC	USA	Holding company	Ordinary	100%
GR US Opco No. 1 LLC*	USA	Holding company	Ordinary	100%
GR US Licensing LP	USA	Restaurant franchise income	Ordinary	99.8%
GR US General Partner LLC	USA	Holding company	Ordinary	100%
The Fat Cow LA LP*	USA	Not trading	Ordinary	49%
BS Restaurant Ventures LLC*	USA	Restaurant franchise income	Ordinary	100%

*indirectly held

All companies incorporated in the United Kingdom have the same registered office as Gordon Ramsay Restaurants Limited (see company information page).

The registered office of G R BurGR LLC, The Fat Cow LLC and The Fat Cow LA LP is 200 Central Park South, 19th Floor, NY NY 10019, USA.

The registered office of Bread Street Kitchen Pte Limited is 1 Marina Boulevard, #28-00 1 Marina Boulevard, Singapore, 018989.

The registered office of GR US Licensing LP, GR US General Partner LLC, GR US Topco LLC and BS Restaurant Ventures LLC is 1201 North Market Street, 18th Floor Wilmington, DE 19801.

The registered office of GR US Opco No.1 LLC and RB Restaurant Ventures LLC is 11377 West Olympic Blvd, Los Angeles, CA 90064, USA.

The registered office of GR Macau Limited is Avenida da Praia Grande, No. 409, China Law Building, 21st/F, Macau.

Gordon Ramsay Restaurants Limited

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

14. Stocks

	Group 2019 £000	Group 2018 £000
Raw materials and consumables	1,238	1,156

Stock recognised in cost of sales during the year as an expense was £12,440,858 (2018 - £12,368,510).

15. Debtors

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Due after more than one year				
Other debtors	765	765	-	-

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Due within one year				
Trade debtors	674	1,026	-	-
Amounts owed by group undertakings	-	-	5,195	6,393
Other debtors	2,218	1,830	535	511
Prepayments and accrued income	1,354	2,161	-	-
Deferred taxation (see note 21)	-	11	-	-
	4,246	5,028	5,730	6,904

16. Cash and cash equivalents

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Cash at bank and in hand	2,613	399	-	97
Less: bank overdrafts	(136)	(977)	(135)	-
	2,477	(578)	(135)	97

Gordon Ramsay Restaurants Limited

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

17. Creditors: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Bank overdrafts	136	977	135	-
Bank loans	2,996	2,459	2,996	2,459
Trade creditors	3,971	5,219	-	54
Amounts owed to group undertakings	-	-	5,938	1,453
Amounts owed to other participating interests	1,332	1,352	1,052	1,352
Corporation tax	2,994	195	-	-
Other taxation and social security	2,110	1,888	-	-
Other creditors	1,116	1,156	-	-
Directors' loan (see note 28)	7,377	12,126	536	536
Accruals and deferred income	3,569	3,517	30	53
	<u>25,601</u>	<u>28,889</u>	<u>10,687</u>	<u>5,907</u>

18. Creditors: Amounts falling due after more than one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Bank loans	<u>5,623</u>	<u>10,690</u>	<u>5,623</u>	<u>10,690</u>

19. Loans

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Amounts falling due within one year				
Bank loans	2,996	2,459	2,996	2,459
Amounts falling due 1-2 years				
Bank loans	1,000	1,400	1,000	1,400
Amounts falling due 2-5 years				
Bank loans	4,623	9,290	4,623	9,290
	<u>8,619</u>	<u>13,149</u>	<u>8,619</u>	<u>13,149</u>

The bank loans are secured on a group basis and personal guarantees of the directors (see note 28).
The bank loans are shown net of issue unamortised costs of £327,310 (2018 - £609,708).

Gordon Ramsay Restaurants Limited

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

20. Financial instruments

	Group 2019 £000	Group 2018 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>5,689</u>	<u>3,982</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(25,566)</u>	<u>(25,250)</u>

Financial assets measured at amortised cost comprise cash, trade and other debtors, amounts owed by joint ventures and associated undertakings.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors and other creditors and accrued expenses.

21. Deferred taxation

Group

	2019 £000	2018 £000
Asset at beginning of year	11	284
Charged to profit or loss	(151)	(273)
(Liability)/asset at end of year	<u>(140)</u>	<u>11</u>
	Group 2019 £000	Group 2018 £000
Accelerated capital allowances	(160)	11
Short term timing differences	20	-
	<u>(140)</u>	<u>11</u>

Gordon Ramsay Restaurants Limited

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

22. Provisions

Group

	Onerous lease provision £000	Provision relating to joint venture £000	Total £000
At 1 September 2018	6,425	187	6,612
Debited to the income statement (see note 4)	722	-	722
Unwinding of discounted future costs (see note 9)	369	-	369
Utilised in year	(678)	-	(678)
At 31 August 2019	6,838	187	7,025

The onerous lease provision relates to the leases of the York and Albany, London House, Maze Grill Royal Hospital Road in relation to their restaurants and hotels.

23. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £341,000 (2018 - £219,000). Contributions totalling £155,000 (2018 - £105,000) were payable to the fund at the reporting date.

24. Commitments under operating leases

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

	Group 2019 £000	Group 2018 £000
Not later than 1 year	6,415	6,370
Later than 1 year and not later than 5 years	25,660	21,238
Later than 5 years	28,455	32,887
	60,530	60,495

25. Financial commitments

In the year ended 31 August 2018, a new banking facility was entered into with Barclays. This is an increased 5 year facility that will mature in February 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 28). 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 Restaurants Limited

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

26. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
214,300 Ordinary shares of £0.01 each	2	2

27. Reserves

Foreign exchange reserve

This is the gain arising on retranslating the net assets/liabilities of overseas operations into Pounds Sterling.

Other reserves

Company - These are share based payments made by the company on behalf of the subsidiary of the company.

Group - This is a reserve arising as a result of a past business combination accounted for as a merger in accordance with UK GAAP and applicable law.

Accumulated losses

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

Gordon Ramsay Restaurants Limited

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

28. 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's banking facility.

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.

Operating lease rentals of £303,833 (2018 - £306,911) are due to a landlord which shares a common ultimate controlling party. Accordingly these transactions are related party transactions.

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

	As at 1 September 2018 £000	Net movements £000	As at 31 August 2019 £000
Gordon Ramsay Holdings Limited	2,644	(6,682)	(4,038)
Gordon Ramsay (Maze) Limited	911	(328)	583
Gordon Ramsay (Royal Hospital Road) Limited	339	147	486
Petrus (Kinnerton Street) Limited	223	200	423
Gordon Ramsay (Narrow Street) Limited	(199)	(10)	(209)
Gordon Ramsay (No. 1) Limited	84	108	192
Sparkle Restaurants Limited	(45)	-	(45)
Humble Pie Media Limited	(1,352)	20	(1,332)
Gordon Ramsay North America, LLC	-	36	36
Humble Pie Productions Limited	-	25	25

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

	As at 1 September 2018 £000	Net movements £000	As at 31 August 2019 £000
G J Ramsay	12,126	(4,749)	7,377

29. Ultimate controlling party

G J Ramsay is the ultimate controlling party of the company.

Gordon Ramsay Restaurants Limited

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

30. 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.