

**Gordon Ramsay Restaurants
Limited**

Report and Financial Statements

Year Ended

31 August 2021

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 2021

The directors present their strategic report together with the audited financial statements for the year ended 31 August 2021.

Principal activities

Gordon Ramsay Restaurants Limited and its subsidiary companies (the "group") hold an interest in 35 UK based restaurants, and in addition there are licence agreements for 13 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-star Michelin Restaurant Gordon Ramsay, the one-star Michelin Petrus, three restaurants at the iconic Savoy Hotel and Lucky Cat by Gordon Ramsay in Mayfair. The group also operates a wide range of premium casual dining restaurants that include five Bread Street Kitchen venues in London, Edinburgh and Liverpool, Gordon Ramsay Plane Food at Heathrow Airport Terminal 5 and Heddon Street Kitchen also in Central London.

Business review

The group successfully continued with its expansion strategy despite the substantial challenges presented by the ongoing COVID pandemic, with 10 new restaurant openings during the financial year.

The financial year commenced with a period of strong trading during September and October 2020, prior to a four-week COVID related mandatory closure of restaurants in November 2020. Trading restrictions were then lifted for the majority of December 2020 followed by a protracted closure between 4th January 2021 and 12th April 2021. The group continued to benefit from support via furlough and other Government grants as well as concessions and flexible payment arrangements with a number of landlords and creditors. All restaurants were fully closed during these "lockdowns", with the exception of Plane Food at Heathrow Airport which remained open during the 2021 closure period.

"Al fresco" dining for all restaurants with outdoor seating commenced in April 2021, and this was followed by relatively unrestricted trading from May for the remainder of the financial year during which time the group saw steady and consistent growth in sales and profitability.

In the Casual Dining category, the group commenced the rollout of its Street Pizza and Street Burger concepts. New Street Pizza restaurants opened in Southwark (December 2020) and Battersea Power Station (April 2021). The first Street Burger restaurant opened in December 2020 in the One New Change development in the City of London. Street Burger restaurants also opened in Woking, Charing Cross Road London (April 2021) and more recently at Kensington High Street, Islington, Covent Garden, and the O2 Arena. At 31st August 2021 there were four Street Pizza locations and seven Street Burger locations trading.

In the Premium Casual category, the Bread Street Kitchen brand has seen new restaurants opened in The City of London, Edinburgh, Liverpool, and Union Street Café in Southwark reopened in the Bread Street format in May 2021. The first Bread Street Café, located in Ealing West London opened in August 2021. The Directors plan to continue with the successful expansion of the Bread Street brand more widely across the United Kingdom.

Gordon Ramsay Restaurants Limited

Group Strategic Report (continued) for the Year Ended 31 August 2021

Business review (continued)

In the Super Premium category Restaurant Gordon Ramsay, Petrus, Savoy Grill and Lucky Cat all traded profitably following the easing of COVID restrictions and a second restaurant at Savoy Hotel "The River Restaurant" opened in October 2021.

The inaugural Gordon Ramsay Academy opened in Woking Surrey in September 2021. The directors view this as a scalable asset both in the UK and internationally.

In December 2020 Gordon Ramsay Burger opened in the Harrods department store in Knightsbridge, under a licencing agreement. Internationally new licensed restaurants will be opening in Saudi Arabia, Doha, Kuala Lumpur and Macau. The new Street Burger and Street Pizza concepts have been shown to be scalable and will be forming a significant part of the international franchising business.

Consolidated turnover for the group during this second year of substantial COVID restrictions reduced to £26.2m (2020: £34.5m). In the previous non COVID impacted year to 31st August 2019 consolidated turnover was £54.7m. Adjusted EBITDA for the year was a loss of £1.1m (2020: £1.0m loss).

The group made a loss before tax of £6.8m during the year (2020: loss of £5.1m).

Future developments

The group remains committed to and on course with its growth strategy.

As detailed further in the Directors' Report and at note 31, in May 2022 new bank facilities were agreed with the group's existing lender. These replaced the existing bank loans and have made available additional and yet to be drawn funds for the group's growth plans.

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, and monthly basis. KPI's are used to measure the 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

	2021 £m	2020 £m
Turnover	26.2	34.5
Gross profit	9.1	12.4
Adjusted EBITDA *	(1.1)	(1.0)

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

Gordon Ramsay Restaurants Limited

Group Strategic Report (continued) for the Year Ended 31 August 2021

Principal risks and uncertainties

The variety of concepts and choice of location throughout London, together with the commencement of expansion across the UK helps to minimise any risk of dependency on one brand or economic area.

The current state of the UK economy and ability to operate the restaurant estate: The COVID 19 pandemic resulted in the complete closure of the estate on a number of occasions. While the group has been able to support its staff through the government's Coronavirus job retention scheme, and has now fully reopened, it is clear that the economy has suffered, and restrictions imposed in response to the pandemic, and subsequent supply chain issues present challenges for many consumer businesses. Any actions taken in the future which limit the ability of the group to operate as forecast might have a significant impact on its revenues and profits. The group has acted decisively when necessary and remains as prepared as possible for future eventualities.

The UK economy is beginning to see significant impacts and risks arising from geo-political issues, with international tensions and war in Europe, together with global supply chain challenges impacting commodity prices.

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 and other third party 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 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.

Gordon Ramsay Restaurants Limited

Group Strategic Report (continued) for the Year Ended 31 August 2021

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.

Going concern

The COVID 19 pandemic had a significant impact on the group for a second year, and there are new risks to consider associated with inflationary pressures and consumer spending. During December 2021 and January 2022 there were further trading challenges as a result of the Omicron COVID variant and the Government's instructions for office workers to stay at home where possible. However since the end of legal restrictions in February 2022 the group has traded consistently and profitably, with group like for like sales consistently ahead of pre-pandemic trading.

The directors have prepared a base case forecast which indicates that the group will be able to meet its liabilities as they fall due and meet lending covenants for a period of at least 12 months from the approval of the financial statements. These projections anticipate only a moderate increase in trade, mainly over periods where trading was subdued or unusually suppressed in the preceding year.

Given the uncertainties outlined above the directors have considered a foreseeable severe downside scenario with the group impacted by significantly reduced trade and diminished margins, similar in quantum to the 20% reduction in sales seen over the Omicron period between late November 2021 and February 2022. Through a combination of reduced capital expenditure and cost reduction, the directors believe that impacts of this magnitude would not leave the group with cash shortages, and that lending covenants would continue to be met.

The group was fully supported by its significant shareholder and lenders throughout the 2020-2022 pandemic, with additional funding provided and waivers granted where required. The significant shareholder has confirmed that if necessary financial support would be made available to the group over the twelve month period following approval of the financial statements in the event of any severe downturn.

Accordingly, the directors consider the going concern assumption in the preparation of the financial statements to be appropriate as at the date the accounts are authorised for issue.

Gordon Ramsay Restaurants Limited

Group Strategic Report (continued) for the Year Ended 31 August 2021

Directors' statement of compliance with duty to promote the success of the group

Recent legislation requires that directors include a separate statement in the annual report that explains how they have had regard to wider stakeholder needs when performing their duty under Section 172(1) of the Companies Act 2006. The duty requires that a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment; and
- The desirability of the company maintaining a reputation for high standards of business conduct.

The most significant decisions taken during the year surrounded the ongoing COVID-19 Pandemic, and balancing the need to protect business, staff and guests, as well as suppliers including the group's landlords.

Whilst the requirement to temporarily close all restaurants was a government instruction, the directors quickly decided that the group in its entirety would be supported through this challenging period with no restaurants closed for the long term. The Coronavirus Job Retention Scheme (CJRS) and other available government support was accessed to the extent available.

The directors determined that all restaurants within the group would open for business whenever possible and in-so-doing had to ensure safe operating environment for staff and guests alike. Operation of on-line guest check-in and NHS venue check-in app, enhanced hygiene measures, and QR code menus are examples of steps which were taken to ensure a safe environment. During these challenging times the directors continue to believe that the best way to engage with staff and guests is through regular visits to all the group's restaurants, and through regular social media activity and use of other online platforms.

The directors arranged additional loans from shareholders and lenders to support the group when necessary, and this has enabled the group to continue planning and executing its long-term growth strategy, despite the short term challenges.

The board considers that key decisions have been taken with the long term in mind, as well as giving due regard the more immediate interests of employees, suppliers, customers, communities and the environment in which the company operates.

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



.....
A Wenlock
Director

Date: 21/07/22

Gordon Ramsay Restaurants Limited

Directors' Report for the Year Ended 31 August 2021

The directors present their report and the financial statements for the year ended 31 August 2021.

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 loss for the year, after taxation and minority interests, amounted to £6,470,000 (2020: loss £5,187,000).

The statement of comprehensive income is set out on page 13 and shows the result for the year.

The directors do not recommend the payment of a dividend (2020: £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 and their going concern assessment are contained within the strategic report on pages 1 - 5.

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Directors' Report (continued) for the Year Ended 31 August 2021

Greenhouse gas emissions, energy consumption and energy efficiency action

The group is mindful of its responsibilities to improve its energy efficiency and reduce its carbon footprint.

For the financial year ended 31st August 2021:

- The annual quantity of emissions in the year was 1,016 tCO₂e (2020: 1,199 tCO₂e)
- The annual quantity of energy consumed was 4,753,157 kWh (2020: 5,456,693 kWh)
- Expressed in terms of group turnover in £ millions, the annual emissions were 39 tCO₂e per £m (2020: 32 tCO₂e per £m)

Implementation of energy efficiency improvement measures

The group will continue to implement energy saving improvements wherever possible. Steps currently being undertaken include:-

- All new restaurant sites are fitted with energy efficient LED lighting
- Existing sites are fitted with energy efficient LED lighting when refurbished
- Where practicable kitchens in new restaurants are electric not gas. This will save carbon emissions, although not necessarily energy usage.

The calculations reported above were compiled independently by energy consultants following the 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standards. The energy data was collated using a mix of existing reporting mechanisms (ESOS Phase 2 for 2018/19) and benchmark data. These methodologies provided a continuous record of electricity and heat use within the buildings occupied by the group. This energy data was converted to carbon emissions using emission factors provided by the Department of Business, Energy and Industrial Strategy. The associated emissions are divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity, heating and cooling (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3). Energy and thermal data was not available for some of the group's buildings as the energy is included within the service and rental charge. In these cases benchmark figures have been used to estimate the annual energy use. In buildings where electricity contracts are held or the supply is metered by the landlord, data prior to the ESOS Phase 2 reporting was unavailable and so estimates have been used.

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.

Gordon Ramsay Restaurants Limited

Directors' Report (continued) for the Year Ended 31 August 2021

Post balance sheet events

New borrowing facilities were agreed with Barclays, the group's longstanding lender on 4th May 2022, consisting of:

- A three-year £10,000,000 term loan, replacing previously existing facilities, with quarterly repayment instalments of £357,142 commencing on 30th November 2022.
- A three-year £15,000,000 facility, replacing previously existing facilities and to fund capital expenditure, of which £5,885,414 was drawn at the date of signing these Financial Statements, and of which £9,114,586 remains committed and undrawn at that date. This facility is available for 18 months from 4th May 2022, and repayment instalments will commence two years after the date of the agreement or if earlier, six months after all of the facility is drawn.

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.



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A Wenlock
Director

Date: 21/07/22

Gordon Ramsay Restaurants Limited

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

Opinion

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 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements Gordon Ramsay Restaurants Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 August 2021 which comprise Consolidated Statement of Comprehensive Income for the Year Ended 31 August 2021, Consolidated Statement of Financial Position as at 31 August 2021, Company Statement of Financial Position as at 31 August 2021, Consolidated Statement of Changes in Equity for the Year Ended 31 August 2021, Company Statement of Changes in Equity for the Year Ended 31 August 2021, Consolidated Statement of Cash Flows for the Year Ended 31 August 2021, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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 Report and the Financial Statements 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the 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, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the Group and the Parent Company and the industry in which it operates and considered the significant laws and regulations to be those relating to the industry, financial reporting framework and tax legislation.
- We held discussion with management to consider any known or suspected instances of non-compliance with laws and regulations or fraud identified by them.
- Based on the understanding obtained we designed audit procedures to identify non compliance with the laws and regulations, as noted above. This included enquiries of management, review of board minutes, and review of relevant correspondence.
- We tested journal entries, focusing on journal entries containing characteristics of audit interest such as manual journals and journals relating to revenue.
- We tested and challenged the key estimates and judgements made by management in preparing the financial statements for indications of bias or management override when presenting the results and financial position of the Group and the Parent Company.
- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Gordon Ramsay Restaurants Limited

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.

DocuSigned by:

Ed Green-Wilkinson

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Ed Green-Wilkinson (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 22 July 2022

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 2021

	Note	2021 £000	2020 £000
Turnover	5	26,235	34,512
Cost of sales		(17,088)	(22,146)
Gross profit		9,147	12,366
Administrative expenses		(18,839)	(19,776)
Other operating income	6	3,899	3,215
Adjusted EBITDA*		(1,129)	(999)
Depreciation and amortisation	7	(2,651)	(2,567)
Exceptional administrative items	4	(2,013)	(629)
Operating loss	7	(5,793)	(4,195)
Interest receivable and similar income		1	2
Interest payable and similar expenses	10	(1,056)	(868)
Loss before taxation		(6,848)	(5,061)
Tax on loss	11	361	(143)
Loss for the financial year		(6,487)	(5,204)
Foreign exchange movement		-	-
Total comprehensive loss for the year		(6,487)	(5,204)
Loss for the year attributable to:			
Non-controlling interests		(17)	(17)
Owners of the parent company		(6,470)	(5,187)
		(6,487)	(5,204)
Total comprehensive loss for the year attributable to:			
Non-controlling interest		(17)	(17)
Owners of the parent company		(6,470)	(5,187)
		(6,487)	(5,204)

All amounts relate to continuing operations.

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

The notes on pages 21 to 46 form part of these financial statements.

Gordon Ramsay Restaurants Limited
Registered number: 07360142

**Consolidated Statement of Financial Position
as at 31 August 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	12	435	377
Tangible assets	13	17,560	15,841
		<u>17,995</u>	<u>16,218</u>
Current assets			
Stocks	15	1,641	1,400
Debtors: amounts falling due after more than one year	16	820	765
Debtors: amounts falling due within one year	16	4,936	3,681
Cash and cash equivalents	17	2,648	2,089
		<u>10,045</u>	<u>7,935</u>
Creditors: amounts falling due within one year	18	(31,712)	(27,392)
Net current liabilities		<u>(21,667)</u>	<u>(19,457)</u>
Total assets less current liabilities		<u>(3,672)</u>	<u>(3,239)</u>
Creditors: amounts falling due after more than one year	19	(13,286)	(6,906)
Provisions for liabilities			
Deferred taxation	22	(286)	(286)
Other provisions	23	(6,167)	(6,493)
Net liabilities		<u><u>(23,411)</u></u>	<u><u>(16,924)</u></u>

Gordon Ramsay Restaurants Limited

Registered number: 07360142

Consolidated Statement of Financial Position (continued) as at 31 August 2021

	Note	2021 £000	2020 £000
Capital and reserves			
Share capital	27	2	2
Foreign exchange reserve	28	(67)	(67)
Other reserves	28	1,100	1,100
Accumulated losses	28	(24,700)	(18,230)
Equity attributable to owners of the parent company		(23,665)	(17,195)
Non-controlling Interests		(254)	(271)
		(23,411)	(16,924)

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



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A Wenlock
Director

Date: 21/07/22.

The notes on pages 21 to 46 form part of these financial statements.

Gordon Ramsay Restaurants Limited
Registered number: 07360142

**Company Statement of Financial Position
as at 31 August 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Investments	14	3,038	3,038
Current assets			
Debtors: amounts falling due within one year	16	7,342	5,749
Cash and cash equivalents	17	67	377
		<u>7,409</u>	<u>6,126</u>
Creditors: amounts falling due within one year	18	(7,293)	(10,443)
Net current assets/(liabilities)		<u>116</u>	<u>(4,317)</u>
Total assets less current liabilities		<u>3,154</u>	<u>(1,279)</u>
Creditors: amounts falling due after more than one year	19	(11,999)	(6,906)
Net liabilities		<u>(8,845)</u>	<u>(8,185)</u>
Capital and reserves			
Share capital	27	2	2
Other reserves	28	3,036	3,036
Accumulated losses	28	(11,883)	(11,223)
		<u>(8,845)</u>	<u>(8,185)</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 £660,000 (2020: £643,000).

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



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A Wenlock
Director

Date: 21/07/22

The notes on pages 21 to 46 form part of these financial statements.

Gordon Ramsay Restaurants Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 August 2021

	Share capital £000	Foreign exchange reserve £000	Other reserves £000	Accumulated losses £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 September 2020	2	(67)	1,100	(18,230)	(17,195)	271	(16,924)
Comprehensive loss for the year							
Loss for the year	-	-	-	(6,470)	(6,470)	(17)	(6,487)
At 31 August 2021	2	(67)	1,100	(24,700)	(23,665)	254	(23,411)

Consolidated Statement of Changes in Equity for the Year Ended 31 August 2020

	Share capital £000	Foreign exchange reserve £000	Other reserves £000	Accumulated losses £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 September 2019	2	(67)	1,100	(13,043)	(12,008)	288	(11,720)
Comprehensive loss for the year							
Loss for the year	-	-	-	(5,187)	(5,187)	(17)	(5,204)
At 31 August 2020	2	(67)	1,100	(18,230)	(17,195)	271	(16,924)

The notes on pages 21 to 46 form part of these financial statements.

Gordon Ramsay Restaurants Limited

Company Statement of Changes in Equity for the Year Ended 31 August 2021

	Share capital	Other reserves	Accumulated losses	Total equity
	£000	£000	£000	£000
At 1 September 2020	2	3,036	(11,223)	(8,185)
Comprehensive loss for the year				
Loss for the year	-	-	(660)	(660)
At 31 August 2021	2	3,036	(11,883)	(8,845)

Company Statement of Changes in Equity for the Year Ended 31 August 2020

	Share capital	Other reserves	Accumulated losses	Total equity
	£000	£000	£000	£000
At 1 September 2019	2	3,036	(10,580)	(7,542)
Comprehensive loss for the year				
Loss for the year	-	-	(643)	(643)
At 31 August 2020	2	3,036	(11,223)	(8,185)

The notes on pages 21 to 46 form part of these financial statements.

Gordon Ramsay Restaurants Limited

Consolidated Statement of Cash Flows for the Year Ended 31 August 2021

	2021 £000	2020 £000
Cash flows from operating activities		
Loss for the financial year	(6,487)	(5,204)
Adjustments for:		
Amortisation of intangible assets	118	112
Depreciation of tangible assets	2,533	2,455
Impairment of tangible fixed assets	146	59
Loss on disposal of tangible assets	-	41
Interest charged to income statement	1,056	868
Interest credited to income statement	(1)	-
Taxation charged to income statement	(361)	143
Increase in stocks	(242)	(162)
(Increase)/decrease in debtors	(1,066)	565
Increase in creditors	6,511	1,132
Decrease in provisions	(691)	(926)
UK and overseas corporation tax paid	(1,803)	(1,094)
Net cash used in operating activities	<u>(287)</u>	<u>(2,011)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(176)	(15)
Purchase of tangible fixed assets	(4,401)	(1,087)
Sale of tangible fixed assets	4	24
Interest received	1	-
Net cash used in investing activities	<u>(4,572)</u>	<u>(1,078)</u>

Gordon Ramsay Restaurants Limited

Consolidated Statement of Cash Flows (continued) for the Year Ended 31 August 2021

	2021 £000	2020 £000
Cash flows from financing activities		
New secured bank loans	2,000	2,000
Repayment of bank loans	-	(400)
Other new loans	1,332	-
New directors loans	-	643
Interest paid	(399)	(380)
Loans from participating interests	2,500	823
Net cash generated from financing activities	5,433	2,686
Net increase/(decrease) in cash and cash equivalents	574	(403)
Cash and cash equivalents at beginning of year	2,074	2,477
Cash and cash equivalents at the end of year	2,648	2,074
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,648	2,089
Bank overdrafts	-	(15)
	2,648	2,074

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

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 2021

2. Accounting policies (continued)

2.3 Going concern

The COVID 19 pandemic had a significant impact on the group for a second year, and there are new risks to consider associated with inflationary pressures and consumer spending. During December 2021 and January 2022 there were further trading challenges as a result of the Omicron COVID variant and the Government's instructions for office workers to stay at home where possible. However since the end of legal restrictions in February 2022 the group has traded consistently and profitably, with group like for like sales consistently ahead of pre-pandemic trading.

The directors have prepared a base case forecast which indicates that the group will be able to meet its liabilities as they fall due and meet lending covenants for a period of at least 12 months from the approval of the financial statements. These projections anticipate only a moderate increase in trade, mainly over periods where trading was subdued or unusually suppressed in the preceding year.

Given the uncertainties outlined above the directors have considered a foreseeable severe downside scenario with the group impacted by significantly reduced trade and diminished margins, similar in quantum to the 20% reduction in sales seen over the Omicron period between late November 2021 and February 2022. Through a combination of reduced capital expenditure and cost reduction, the directors believe that impacts of this magnitude would not leave the group with cash shortages, and that lending covenants would continue to be met.

The group was fully supported by its significant shareholder and lenders throughout the 2020-2022 pandemic, with additional funding provided and waivers granted where required. The significant shareholder has confirmed that if necessary financial support would be made available to the group over the twelve month period following approval of the financial statements in the event of any severe downturn.

Accordingly, the directors consider the going concern assumption in the preparation of the financial statements to be appropriate as at the date the accounts are authorised for issue.

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

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 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
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Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

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. Concessions in the period have been recognised over the period to which they had been granted.

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.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

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 2021

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 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure.

2.17 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 by the reporting date.

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

2. Accounting policies (continued)

2.18 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.

2.19 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.

2.20 Interest income

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

2.21 Borrowing costs

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

2.22 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.

Exceptional items and adjusted EBITDA have been disclosed separately as a non-GAAP disclosure to help users understand the underlying performance of the business.

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

2. Accounting policies (continued)

2.23 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 2021

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 13)**
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.
Determining whether the company's fixed assets have any indicators of impairment. Where such indicators exist, the directors estimate the value in use using discounted future cash flows. Assessments include the review of current trading performance and future expected cash flows expected to arise from each cash generating unit.
- **Investments (see note 14)**
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 (2020: £3,037,265) with no provisions recognised in 2021 or 2020.
- **Onerous leases (see note 23)**
On determining that an onerous lease exists the committed unavoidable costs arising from these are recorded at their discounted present value. The key estimates included within this include the estimate of the unavoidable costs and the discount rate applied to these to give a present value. A 1% increase/decrease in the discount rate would decrease/increase the provision by £297k.

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

4. Exceptional items:

	2021 £000	2020 £000
Other exceptional items	106	-
Legal and compliance costs	210	157
Pre-opening costs	1,466	528
Increase/(decrease) in provisions (see note 23)	85	(156)
Loss on disposal of fixed assets	-	41
Impairment of fixed assets (see note 13)	146	59
	<u>2,013</u>	<u>629</u>

5. Turnover

Analysis of turnover by country of destination:

	2021 £000	2020 £000
United Kingdom	25,008	32,886
Rest of the world	1,227	1,626
	<u>26,235</u>	<u>34,512</u>

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

6. Other operating income

	2021 £000	2020 £000
Government grants – Coronavirus Job Retention Scheme ("CJRS")	3,277	3,215
Other government grants	524	-
Other income	98	-
	<u>3,899</u>	<u>3,215</u>

Other government grants consist of local government support grants received by the company.

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

7. Operating loss

The operating loss is stated after charging:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	2,533	2,455
Amortisation of intangible fixed assets	118	112
Auditors' remuneration:		
- fees payable to the group's current auditor for the audit of the company's annual accounts	50	50
- fees payable to the group's current auditor for the audit of the subsidiaries' annual accounts	120	113
- other taxation services	67	84
- all other services	42	57
Exchange differences	(11)	76
Operating lease rentals	4,108	5,325

Operating lease rentals above is the expense recorded after recognising in the income statement COVID-19-related rent concession received of £1,653,061 (2020 - £490,947).

8. Employees

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

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Wages and salaries	12,241	14,336	-	-
Social security costs	1,260	1,437	-	-
Cost of defined contribution scheme	281	385	-	-
	13,782	16,158	-	-

Wages and salaries are shown gross of CJRS (see note 6).

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

	2021 No.	2020 No.
Head office	40	52
Restaurant staff	580	860
Directors	2	2
	622	914

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

9. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	327	493

The highest paid director received remuneration of £327,000 (2020: £493,000).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2020: £Nil).

10. Interest payable and similar charges

	2021 £000	2020 £000
Bank interest payable	596	380
Release of deferred loan fee	94	94
Unwinding of the discounted future costs (see note 23)	366	394
	1,056	868

11. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	(511)	22
Double taxation relief	(22)	(22)
	(533)	-
Foreign tax		
Foreign tax on income for the year	172	(3)
Total current tax	(361)	(3)
Deferred tax		
Origination and reversal of timing differences	-	146
Total deferred tax	-	146
Taxation on loss on ordinary activities	(361)	143

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £000	2020 £000
Loss on ordinary activities before tax	(6,848)	(5,061)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(1,301)	(962)
Effects of:		
Fixed asset differences	374	320
Expenses not deductible for tax purposes	(443)	11
Foreign tax - other	569	(41)
Adjustments to tax charge in respect of prior periods	(298)	-
Deferred tax not recognised	972	815
Tax refund	(234)	-
Total tax charge for the year	(361)	143

Factors that may affect future tax charges

At the year end date, the total unused tax losses carried forward are £12,019,187 (2020 - £6,904,924).

In addition to the deferred tax liability of £285,853 (2020: £285,853) that has been recognised (see note 22), a deferred tax asset of £1,768,236 (2020: £1,455,258) was not recognised in respect of losses carried forward in different group companies, as there was insufficient evidence that those losses would be recovered.

The Finance Act 2016 reduced the corporation tax rate to 17% with effect from 1 April 2020 and so this rate was used in the August 2020 deferred tax calculations. In the Budget of 11 March 2020, the Chancellor of the Exchequer announced that the planned rate reduction to 17% would no longer be taking effect. The changes announced during the Budget of 11 March 2020 were subsequently enacted as the 2020 statement of financial position date, therefore, all opening deferred taxation balances for the comparative period have been remeasured at 19% with an adjustment recognised in the 2020 total tax charge.

The Budget in March 2021 announced that the corporation tax rate after 1 April 2023 would be increasing to 25% if company profits are expected to be in excess of £250,000 and at a marginal rate if profits are expected to be between £50,000 and £250,000. The changes announced during the Budget of March 2021 were subsequently enacted as the 2021 statement of financial position date. The change is not considered to have a material impact on these financial statements.

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

12. Intangible assets

Group

	Software £000	Goodwill £000	Total £000
Cost			
At 1 September 2020	460	961	1,421
Additions	176	-	176
At 31 August 2021	636	961	1,597
Amortisation			
At 1 September 2020	125	919	1,044
Charge for the year	76	42	118
At 31 August 2021	201	961	1,162
Net book value			
At 31 August 2021	435	-	435
At 31 August 2020	335	42	377

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

13. Tangible fixed assets

Group

	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets under construction £000	Total £000
Cost				
At 1 September 2020	24,871	11,231	105	36,207
Additions	1,093	2,145	1,164	4,402
Disposals	-	(4)	-	(4)
Transfers between classes	38	50	(88)	-
At 31 August 2021	<u>26,002</u>	<u>13,422</u>	<u>1,181</u>	<u>40,605</u>
Depreciation				
At 1 September 2020	12,356	8,010	-	20,366
Charge for the year	1,538	995	-	2,533
Impairment charge	48	60	38	146
At 31 August 2021	<u>13,942</u>	<u>9,065</u>	<u>38</u>	<u>23,045</u>
Net book value				
At 31 August 2021	<u>12,060</u>	<u>4,357</u>	<u>1,143</u>	<u>17,560</u>
At 31 August 2020	<u>12,515</u>	<u>3,221</u>	<u>105</u>	<u>15,841</u>

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

14. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 September 2020	3,038
At 31 August 2021	<u>3,038</u>
Net book value	
At 31 August 2021	<u>3,038</u>
At 31 August 2020	<u>3,038</u>

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	Not trading	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 Restaurants 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 2021

14. 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	Not trading	Ordinary	99%
Gordon Ramsay International Talent Limited*	UK	Not trading	Ordinary	99%
G R BurGR LLC*	USA	Not trading	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	Not trading	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	Not trading	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	Not trading	Ordinary	100%

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

14. Fixed asset investments (continued)

*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 Topco LLC is 1201 North Market Street, 18th Floor, P.O. Box 1347, Wilmington, DE 19801.

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

The registered office of GR US Licencing LP and GR US General Partner LLC is 251 Little Falls Drive, Wilmington, DE, 90064.

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

15. Stocks

	Group 2021 £000	Group 2020 £000
Raw materials and consumables	1,641	1,400

Stock recognised in cost of sales during the year as an expense was £5,978,523 (2020: £8,318,714).

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

16. Debtors

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Due after more than one year				
Other debtors	820	765	-	-
	<u>820</u>	<u>765</u>	<u>-</u>	<u>-</u>
	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Due within one year				
Trade debtors	1,476	520	-	-
Amounts owed by group undertakings	-	-	7,342	5,749
Other debtors	2,383	2,044	-	-
Prepayments and accrued income	1,077	1,117	-	-
	<u>4,936</u>	<u>3,681</u>	<u>7,342</u>	<u>5,749</u>

17. Cash and cash equivalents

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Cash at bank and in hand	2,648	2,089	67	377
Less: bank overdrafts	-	(15)	-	-
	<u>2,648</u>	<u>2,074</u>	<u>67</u>	<u>377</u>

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

18. Creditors: Amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Bank overdrafts	-	15	-	-
Bank loans	406	3,406	406	3,406
Other loans	17	-	-	-
Trade creditors	7,627	4,028	18	18
Amounts owed to group undertakings	-	-	1,515	3,658
Amounts owed to other participating interests	4,655	2,155	3,875	1,875
Corporation tax	38	1,897	-	-
Other taxation and social security	1,992	2,249	791	769
Other creditors	3,442	2,310	-	-
Directors' loan (see note 29)	8,047	8,020	536	536
Accruals and deferred income	5,488	3,312	152	181
	<u>31,712</u>	<u>27,392</u>	<u>7,293</u>	<u>10,443</u>

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

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Bank loans	11,999	6,906	11,999	6,906
Other loans	1,287	-	-	-
	<u>13,286</u>	<u>6,906</u>	<u>11,999</u>	<u>6,906</u>

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

20. Loans

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Amounts falling due within one year				
Bank loans	406	3,406	406	3,406
Other loans	17	-	-	-
Amounts falling due 1-2 years				
Bank loans	11,999	906	11,999	906
Other loans	69	-	-	-
Amounts falling due 2-5 years				
Bank loans	-	6,000	-	6,000
Other loans	207	-	-	-
Amounts falling due after more than 5 years				
Other loans	1,011	-	-	-
	13,709	10,312	12,405	10,312

The bank loans are secured on a group basis and personal guarantees of the directors (see note 29). The bank loans are shown net of issue unamortised costs of £140,278 (2020: £233,794).

At the year end, the loan in place with Barclays Bank PLC was a 5-year facility due to mature in February 2023. The loan was repayable over 60 months, commencing 28 February 2018 and interest was chargeable at a variable rate of interest plus LIBOR dependent on the leverage ratio of the group.

On 8th July 2021 the Company amended various borrowing terms with its lending bank, the interest rate changing to a variable rate based on SONIA. All loan repayment dates were aligned with the main facility repayment date.

As further described in note 31 (Post balance sheet events), on 4th May 2022 the Company agreed new borrowing facilities with Barclays Bank PLC, the group's longstanding lender. Under the new facilities, no amounts fall due for repayment within one year of the balance sheet date, £1,428,568 is due within one to two years, and all further amounts within 5 years. This loan amendment is a "non-adjusting" post balance sheet event, and as such the categorisations as to when the loans fall due in notes 18, 19 and 20 reflect the terms which existed at the balance sheet date, and not the more recently agreed terms.

In the year the company agreed a new loan with Woking Borough Council to support the fit out of the cooking school and restaurant, this is repayable over 25 years commencing 1 April 2022 and interest is charged at a fixed rate of 3.5% per annum. This loan is classified as other loans.

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

21. Financial instruments

	Group 2021 £000	Group 2020 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>7,789</u>	<u>5,088</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(42,839)</u>	<u>(29,773)</u>

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

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

22. Deferred taxation

Group

	2021 £000	2020 £000
Liability at start of year	(286)	(140)
Charged to profit or loss	-	(146)
Liability at end of year	<u>(286)</u>	<u>(286)</u>

The provision for deferred taxation is made up as follows:

	Group 2021 £000	Group 2020 £000
Accelerated capital allowances	(306)	(306)
Short term timing differences	20	20
	<u>(286)</u>	<u>(286)</u>

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

23. Provisions

Group

	Onerous lease provision £000	Provision relating to joint venture £000	Total £000
At 1 September 2020	6,306	187	6,493
Credited to the income statement (see note 4)	85	-	85
Unwinding of discounted future costs (see note 10)	366	-	366
Utilised in year	(777)	-	(777)
At 31 August 2021	5,980	187	6,167

The onerous lease provision relates to the leases of the York and Albany, London House, Bar & Grill Chelsea in relation to their restaurants and hotels.

24. 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 £281,000 (2020: £385,000). Contributions totalling £96,000 (2020: £223,000) were payable to the fund at the reporting date.

25. Commitments under operating leases

At 31 August 2021 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £000	Group 2020 £000
Not later than 1 year	7,514	6,240
Later than 1 year and not later than 5 years	32,801	26,101
Later than 5 years	22,457	23,680
	62,772	56,021

26. Financial commitments

2018 bank facilities with Barclays were amended on 8th July 2021, with all borrowings maturing in February 2023. Subsequent to the statement of financial position date on 4th May 2022 these were replaced by new facilities as detailed in note 31.

The group loan facilities (including the new 4th May 2022 facilities) are secured by a debenture over the present and future assets of the company and personal guarantees from the directors (see note 29).

Gordon Ramsay Restaurants Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

27. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
214,300 Ordinary shares of £0.01 each	2	2

28. 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 2021

29. Related party transactions

As at 31 August 2021, G J Ramsay had given personal guarantees totalling £5,000,000 (2020: £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.

During the year, the group was charged operating lease rentals of £300,000 (2020: £300,000) and at the year end, an amount of £450,000 (2020: £150,000) in respect of these rentals 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 2020 £000	Net movements £000	As at 31 August 2021 £000
Gordon Ramsay Holdings Limited	(2,133)	1,087,427	1,085,294
Gordon Ramsay (Maze) Limited	518	517,269	517,787
Gordon Ramsay (Royal Hospital Road) Limited	573	774,880	775,453
Petrus (Kinnerton Street) Limited	397	418,771	419,168
Gordon Ramsay (Narrow Street) Limited	-	92,715	92,715
Gordon Ramsay (No. 1) Limited	276	293,836	294,112
Sparkle Restaurants Limited	(46)	(45,754)	(45,800)
Humble Pie Media Limited	(2,155)	(2,500)	(4,655)
Gordon Ramsay North America, LLC	36	-	36
Humble Pie Productions Limited	16	-	16

29. Related party transactions (continued)

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 2020 £000	Net movements £000	As at 31 August 2021 £000
G J Ramsay	8,020	27	8,047

30. 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 2021

31. Post balance sheet events

New borrowing facilities were agreed with Barclays, the group's longstanding lender on 4th May 2022, consisting of:

- A three-year £10,000,000 term loan, replacing previously existing facilities, with quarterly repayment instalments of £357,142 commencing on 30th November 2022.
- A three-year £15,000,000 facility, replacing previously existing facilities and to fund capital expenditure, of which £5,885,414 was drawn at the date of signing these Financial Statements, and of which £9,114,586 remains committed and undrawn at that date. This facility is available for 18 months from 4th May 2022, and repayment instalments will commence two years after the date of the agreement or if earlier, six months after all of the facility is drawn.

32. Analysis of net debt

	At 1 September 2020 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2021 £000
Cash at bank and in hand	2,089	559	-	2,648
Bank overdrafts	(15)	15	-	-
Debt due after 1 year	(6,906)	(6,380)	-	(13,286)
Debt due within 1 year	(3,406)	3,077	(94)	(423)
Amounts owed to other participating interests	(2,155)	(2,500)	-	(4,655)
Directors' loans	(8,020)	(27)	-	(8,047)
	<u>(18,413)</u>	<u>(5,256)</u>	<u>(94)</u>	<u>(23,763)</u>