

REGISTRAR

Registration Number: 03288116

SOHO HOUSE LIMITED
REPORT AND FINANCIAL STATEMENTS
52 WEEKS ENDED
28 DECEMBER 2014

WEDNESDAY



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Soho House Limited

Report and financial statements for the 52 weeks ended 28 December 2014

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Directors

G Williams
R A Caring
N K A Jones
J W S Lawrence

Registered office

72 - 74 Dean Street, London, W1D 3SG

Company Number

07181524

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Soho House Limited
Strategic Report for the period ended 28 December 2014

The directors present their strategic report together with the audited financial statements for the period ended 28 December 2014.

Principal activities

The principal activity of the company is that of an intermediate investment holding company. The company holds the investments for the entire UK and European group operating companies representing the UK and European businesses of the Soho House Group Limited (the "Worldwide Group").

Review of the investment business

Soho House UK Limited is the principal operating company for the UK business. Turnover for the company was £83.8m (29 December 2013 - £73.3m) representing a 14.3% increase in turnover on the prior year. This represented continued growth of its existing core business. The adjusted earnings before interest, taxation, depreciation and amortisation, new site development costs, foreign exchange and exceptional items ("Adjusted EBITDA") excluding foreign exchange and exceptional items was £9.1m (29 December 2013 - £9.3m) – a nominal decline on prior year of 2.7%.

Soho House Berlin GmbH has performed significantly better than prior year with Adjusted EBITDA growth from €1.2m to €2.8m mainly due to the impact of the membership price rises in February 2014, increased member numbers and increased revenue from our investment in additional hotel rooms and Berlin Lofts.

Pizza East Limited turnover for the 52 weeks ended 28 December 2014 was £11.8m up from £11.2m in the prior 52 week period. Gross profit for the period improved to 73.4% compared to 73.0% in the prior period, which represent healthy margins for the three relatively new sites. Adjusted EBITDA for the period was consistent on the prior period at £2.4m representing conversion at 20.5% compared to 21.3% for the prior period.

Cowshed turnover during 2014 was £8.0m (29 December 2013 - £6.0m) representing 33.7% increase in turnover on the prior year. This represents continued growth of our existing core business, new spa openings and development and roll out of new concepts like Cheeky and Neville. The adjusted earnings before interest, tax, depreciation and amortisation, new site development costs, foreign exchange and exceptional items. ("Adjusted EBITDA") is £1.0m (29 December 2013 - £1.1m) – a decline on prior year of 8.2%. Adjusted EBITDA has fallen primarily due to increased marketing, public relations and promotional activity as well as the continued development of new products and lines to complement the existing Cowshed, Cheeky and Neville brands. In the first quarter of 2014, Cowshed has successfully opened a new spa in Primrose Hill, London, a concession spa at Selfridges, London and Cheeky Holborn.

The directors are pleased with the performance of its key investments as discussed above. In addition, the company holds investments in relatively new operating companies – In House Build Limited, Dirty Burger Limited and Chicken Shops Galore Limited, which have performed to plan to date.

Post balance sheet events

On 20 March 2015, the company sold a 50% stake in the Pizza East, Chicken Shop and Dirty Burger casual dining restaurant brands to a private investor. The sale agreement relates to the three existing brands in all territories, excluding the Americas.


The disposal values the restaurant brands at an enterprise value of £33m. In addition, Soho House Group and the investor have each agreed to provide £5m funding in the near term to accelerate the roll-out of the three restaurant brands. The new joint venture will also be offered the opportunity to invest in new casual dining restaurant concepts created by Soho House.

The proceeds from the sale will be invested in the core Soho House Group business to accelerate growth into new locations.

Future developments

The company will continue to hold all the current and future investments in the UK and European group operating companies under the Worldwide Group.

On behalf of the board



G Williams
Director

30/9/15

Soho House Limited
Directors' Report for the period ended 28 December 2014

The directors present their report together with the audited financial statements for the 52 weeks ended 28 December 2014.

Results and dividends

The profit and loss account is set out on page 8 and shows the loss for the period.

The directors do not recommend the payment of a dividend (2013 - £Nil).

Directors

The directors of the company during the period were:

G Williams
R A Caring
N K A Jones
J W S Lawrence

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Soho House Limited

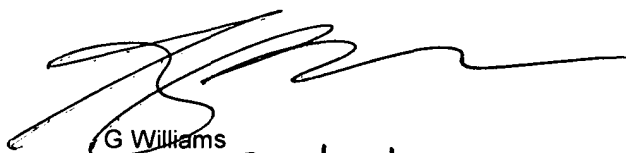
Directors' Report for the period ended 28 December 2014 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board


G Williams
Director 30/9/15

To the member of Soho House Limited

We have audited the financial statements of Soho House Limited for the 52 weeks ended 28 December 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 December 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



David Campbell (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date 30/9/15.

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

Soho House Limited
Profit and loss account for the period ended 28 December 2014

		52 weeks ended 28 December 2014 £	52 weeks ended 29 December 2013 £
	Note		
Administrative expenses		<u>104,781</u>	<u>(155,905)</u>
Adjusted EBITDA *		(3,940)	(2,648)
Foreign exchange		(100,841)	158,553
Operating (loss) / profit	2	(104,781)	155,905
Other interest receivable and similar income		7	6,612
Interest payable and similar charges		<u>(206,278)</u>	<u>(108,439)</u>
Loss on ordinary activities before taxation		(311,052)	54,078
Taxation on (loss) / profit on ordinary activities	5	<u>66,468</u>	<u>(12,573)</u>
(Loss) / profit on ordinary activities after taxation transferred to reserves	12	<u><u>(244,584)</u></u>	<u><u>41,505</u></u>

All amounts relate entirely to continuing operations.

There were no gains or losses during the year other than those disclosed above.

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

The notes on pages 9 to 14 form part of these financial statements.

Soho House Limited
Balance sheet at 28 December 2014

Company Number: 03288116		28 December	28 December	29 December	29 December
	Note	2014	2014	2013	2013
		£	£	£	£
Fixed assets					
Fixed asset investments	6		36,477,430		31,674,829
Current assets					
Debtors - due within one year	7	3,403,793		3,397,450	
Debtors - due after more than one year	7	<u>25,457,134</u>		<u>25,473,699</u>	
Total debtors		28,860,927		28,871,149	
Cash at bank and in hand		<u>-</u>		<u>30,998</u>	
		28,860,927		28,902,147	
Creditors: amounts falling due within one year	8	<u>6,955,120</u>		<u>7,172,646</u>	
Net current assets			<u>21,905,807</u>		<u>21,729,501</u>
Total assets less current liabilities			58,383,237		53,404,330
Creditors: amounts falling due after more than one year	9		23,034,539		17,811,048
Net assets			<u>35,348,698</u>		<u>35,593,282</u>
Capital and reserves					
Called up share capital	10		1,356,102		1,356,102
Share premium	11		36,054,575		36,054,575
Other reserves	11		4,683,562		4,683,562
Capital contribution	11		348,303		348,303
Profit and loss account	11		<u>(7,093,844)</u>		<u>(6,849,260)</u>
Shareholders' funds			<u>35,348,698</u>		<u>35,593,282</u>

The financial statements were approved by the board of directors and authorised for issue on

30/7/15


G Williams
Director

The notes on pages 9 to 14 form part of these financial statements.

1. ACCOUNTING POLICIES

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

The following principal accounting policies have been applied:

Consolidated financial statements

The financial statements present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare group financial statements. Soho House Limited is a wholly owned subsidiary of SHG Acquisition (UK) Limited which produces publicly available consolidated financial statements in which the company is included.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by SHG Acquisition (UK) Limited and the company is included in consolidated financial statements.

Going concern

The company has an unlimited intercompany composite guarantee secured on the fixed assets to cover group borrowings which are accounted for in the intermediate parent company's financial statements, SHG Acquisition (UK) Limited. The going concern basis therefore requires consideration on a group basis.

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 5 in the parent company accounts. The financial position of the group, its cash flows, liquidity position and borrowing facilities are described in the Strategic Report on pages 1 to 5 of the parent company accounts.

In assessing the going concern basis of preparation of the consolidated financial statements for the period ended 28 December 2014, the directors have taken into consideration detailed cash flow forecasts for the group and the availability of funding to the group from its bankers and its shareholders.

The directors consider that the group has sufficient financial resources together with an established and cash generative business model, and access to borrowing facilities. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Based on this assessment the directors are confident that the group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the consolidated financial statements for period ended 28 December 2014.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are not discounted.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

2. OPERATING PROFIT

	52 weeks ended 28 December 2014 £	52 weeks ended 29 December 2013 £
This is arrived at after charging / (charging):		
Exchange differences	100,841	(158,553)

3. DIRECTORS' REMUNERATION

No director received any emoluments during the current period (29 December 2013 -£Nil).

4. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 28 December 2014 £	52 weeks ended 29 December 2013 £
Bank loans and overdrafts	13	433
Loans from group companies	206,265	108,006
	206,278	108,438

Soho House Limited
Notes forming part of the financial statements for the period ended 28 December 2014 (continued)
5. TAXATION

	52 weeks ended 28 December 2014 £	52 weeks ended 29 December 2013 £
<i>UK Corporation tax</i>		
Group relief - Current tax	(66,876)	12,573
Group relief - Adjustments in respect of prior periods	408	-
Taxation on (loss) / profit on ordinary activities	<u>(66,468)</u>	<u>12,573</u>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	52 weeks ended 28 December 2014 £	52 weeks ended 29 December 2013 £
(Loss) / profit on ordinary activities before tax	<u>(311,052)</u>	<u>54,078</u>
(Loss) / profit on ordinary activities at the standard rate of corporation tax in the UK of 21.5% (29 December 2013 - 23.25%)	(66,876)	12,573
Effects of:		
Adjustments to tax charge in respect of previous years	408	-
Total current tax charge	<u>(66,468)</u>	<u>12,573</u>

Soho House Limited
Notes forming part of the financial statements for the period ended 28 December 2014 (continued)
6. FIXED ASSET INVESTMENTS

	Investment in joint ventures	Investments in subsidiary undertakings	Shares in group undertakings	Capital contributions	Total
	£	£	£	£	£
Cost					
At 29 December 2013	-	16,210,009	10,781,258	4,683,562	31,674,829
Additions	6,298,053	-	-	-	6,298,053
Intercompany loans repaid	-	(1,495,452)	-	-	(1,495,452)
At 28 December 2014	6,298,053	14,714,557	10,781,258	4,683,562	36,477,430

	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary and joint venture undertakings</i>			
Soho House UK Limited	UK	100%	Leisure
Cowshed Products Limited	UK	100%	Cosmetics
Soho House Properties Limited	UK	100%	Property company
NBJ Leisure Limited *	UK	100%	Dormant
Soho House Berlin GmbH	Germany	100%	Leisure
Pizza East Limited	UK	100%	Leisure Holding
Soho House Toronto Limited	UK	100%	company Holding
Soho House Toronto ULC *	Canada	100%	company
Chicken Shops Galore Limited	UK	100%	Leisure
Neville Cut and Shave Limited	UK	100%	Dormant
Soho Housemarket Limited	UK	100%	Dormant
In House Build Limited	UK	100%	Construction
Dirty Burger Limited	UK	100%	Leisure
Cheeky Nails Limited *	UK	100%	Dormant
Cowshed LLC *	USA	100%	Cosmetics
<i>Joint ventures</i>			
Mirador Barcel S.L.	Spain	50%	Property company
Soho House Toronto Partnership *	Canada	50%	Leisure

* Denotes indirect holding.

For all undertakings listed above, the country of operation is the same as the country of incorporation or

Soho House Limited**Notes forming part of the financial statements for the period ended 28 December 2014 (continued)****7. DEBTORS**

	28 December 2014 £	29 December 2013 £
Amounts owed by group undertakings	<u>3,403,793</u>	<u>3,397,450</u>
Amounts receivable after more than one year:		
Amounts owed by group undertakings	<u>25,457,134</u>	<u>25,473,699</u>
Total debtors	<u><u>28,860,927</u></u>	<u><u>28,871,149</u></u>

8. CREDITORS: Amounts falling due within one year

	28 December 2014 £	29 December 2013 £
Bank overdrafts (secured)	45,879	-
Amounts owed to group undertakings	6,854,571	7,106,749
Amounts owed to related undertakings	1,046	49,720
Accruals and deferred income	53,624	16,177
	<u><u>6,955,120</u></u>	<u><u>7,172,646</u></u>

9. CREDITORS: Amounts falling due after more than one year

	28 December 2014 £	29 December 2013 £
Amounts owed to group undertakings	20,236,462	14,971,541
Amounts owed to related undertakings	2,798,077	2,839,507
	<u><u>23,034,539</u></u>	<u><u>17,811,048</u></u>

The amounts due to group undertakings and associated undertakings is not repayable within 12 months and is non interest bearing.

10. CALLED UP EQUITY SHARE CAPITAL

	28 December 2014 £	29 December 2013 £
Allotted, called up and fully paid:		
13,561,102 ordinary share of £0.10 each	1,356,102	1,356,102
	<u><u>1,356,102</u></u>	<u><u>1,356,102</u></u>

Soho House Limited**Notes forming part of the financial statements for the period ended 28 December 2014 (continued)****11. RESERVES**

	Share premium £	Capital contribution £	Other reserve £	Profit & Loss £
At 30 December 2013	36,054,575	4,683,562	348,303	(6,849,260)
Loss for the period	-	-	-	(244,584)
At 28 December 2014	<u>36,054,575</u>	<u>4,683,562</u>	<u>348,303</u>	<u>(7,093,844)</u>

12. CONTINGENT LIABILITIES

As at 28 December 2014 there were unlimited intercompany composite guarantees secured on the fixed assets to cover the total group borrowings which are accounted for in the immediate parent company's financial statements, SHG Acquisition (UK) Limited, and the intermediate parent company's financial statements, Soho House Bond Limited.

13. RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary of Soho House Group Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Soho House Group Limited or other wholly owned subsidiaries within the group.

14. ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP

At 28 December 2014, the company's ultimate parent company was Soho House Group Limited, a Jersey registered company.

The immediate parent company at 28 December 2014 was Soho House Limited, a UK registered company.

At 28 December 2014, the controlling party was R Burkle as he had a significant influence over the control of the company.

The largest group in which the results of the company are consolidated is that headed by Soho House Group Limited, incorporated in Jersey. The smallest group in which they are consolidated is that headed by SHG Acquisition (UK) Limited, incorporated in England and Wales. The consolidated accounts are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3VZ.

15. POST BALANCE SHEET EVENTS

On 20 March 2015, the company sold a 50% stake in the Pizza East, Chicken Shop and Dirty Burger casual dining restaurant brands to a private investor. The sale agreement relates to the three existing brands in all territories, excluding the Americas.

The disposal values the restaurant brands at an enterprise value of £33m. In addition, Soho House Group and the investor have each agreed to provide £5m funding in the near term to accelerate the roll-out of the three restaurant brands. The new joint venture will also be offered the opportunity to invest in new casual dining restaurant concepts created by Soho House.

The proceeds from the sale will be invested in the core Soho House Group business to accelerate growth into new locations.