

Registration Number: 03288116

SOHO HOUSE LIMITED
REPORT AND FINANCIAL STATEMENTS
52 WEEKS ENDED
29 DECEMBER 2019



Soho House Limited
Report and financial statements for the 52 weeks ended 29 December 2019

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Directors

R A Caring
N K A Jones
A R Carnie

Registered office

180 The Strand, London, United Kingdom, WC2R 1EA

Company Number

03288116

Auditor

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

Soho House Limited
Strategic Report for the period ended 29 December 2019

The directors present their strategic report together with the audited financial statements for the period ended 29 December 2019.

Principal activities

The principal activity of the company is that of an intermediate investment holding company deriving income and incurring expenses in connection with the management of those investments. The company holds the investments for the entire UK and European group operating companies representing the UK and European businesses of Soho House Holdings Limited (the "Worldwide Group"). Turnover is derived from membership income and management fees predominantly relating to the Ned and Soho House Mumbai.

Review of the Company's investment business

Soho House UK Limited is the principal operating company for the UK business. Turnover for the company was £182.0m (30 December 2018 - £160.5m) representing a 13% increase in turnover on the prior year. The increase was driven primarily by a growth in membership and registration fee and food and beverage turnover. The adjusted earnings before interest, taxation, depreciation, amortisation, foreign exchange, new site development costs, profit on disposal of fixed assets, non-cash rent and other exceptional items is £9.5m (30 December 2018 - £9.1m) - increase in prior period 4% primarily related to improvements in Gross Profit.

Soho House Berlin GmbH performance was on par with the prior year with Adjusted EBITDA decreasing slightly from €4.7m to €4.6m. Turnover for the 52 weeks ended 29 December 2019 was £13.9m (30 December 2018 - £13.8m) representing a 1% increase in turnover on the prior year.

Cowshed gross margin has decreased to 64% from 65% in the current year as a result of increased cost prices from product suppliers. The adjusted earnings before interest, tax, depreciation and amortisation, new site development costs, foreign exchange and exceptional items ("Adjusted EBITDA") is £0.5m (30 December 2018 - £1.1m).

Soho House opened Soho House Barcelona as a joint venture partnership in October 2016. The House is situated on the waterfront in the city's Gothic Quarter, facing Port Vell harbour and includes restaurant, club spaces, Cowshed spa and gym, a pool, and a 57-bedroom hotel. Since opening, the membership base has grown in line with our budget expectations.

In summer 2018 we opened Little Beach House, Barcelona, a 30-minute drive south from our first Spanish club. Our Barcelona beachfront property is situated on the bay of Garraf, nearby popular Sitges. Formerly a hotel built in the 1960s, the House has 17 hotel rooms.

As with all businesses in Turkey, Soho House Istanbul (management contract) has been impacted by the political and macro-economic challenges currently prevailing over the country. Despite this, we have still managed operational efficiencies by focusing on strict cost control discipline and retaining our membership base, two areas of focus that will continue to remain key.

The first Soho Works co-working space opened in Shoreditch, London in 2015. The 16,000 sq ft space offers 24/7 co-working facilities for individuals and businesses in a combination of open plan and private offices. The Shoreditch site has performed ahead of prior year and plan in 2017. In September 2017 the Group entered into a joint venture in respect of Soho Works UK sites. As part of the joint venture agreement, at year end the joint venture had £40m of uncommitted funding available to roll out locations in Soho, Strand, White City, Brighton and other sites currently being identified.

The Ned (management agreement) opened in April 2017, in the former Midland Bank building in the heart of the City of London. It opened with nine restaurants, 252 bedrooms, a range of men's and women's grooming services, and a private members' club.

Review of the Company's investment business (continued)

Soho House Mumbai (management contract) opened in November 2018 in an 11-storey building in Juhu offering 38 bedrooms, a floor of members' space, gym, rooftop pool, and a 34-seat screening room.

In April 2019, the Group completed the acquisition of Scorprios, a beach club, and an adjacent hotel, San Giorgio, which has subsequently been relaunched as Soho Roc House in Mykonos, Greece. The beach club is situated on the southern tip of Mykonos and encompasses a beach, a whitewashed stone building and open-air terraces. Soho Roc House has 45 bedrooms, a poolside veranda, restaurant and lounge areas.

Review of the Company's business

Overlooking a canal in the city centre, Soho House Amsterdam opened in summer 2018 with a floor of club space, rooftop pool, gym, screening room, library, Cowshed spa, plus 79 bedrooms. The basement has space to park nearly 100 bikes and there's a small workshop for repairs.

The directors are pleased with the performance of its key investments as discussed above.

Financial risk management objectives and policies

The company uses various financial instruments which include cash, trade debtors, trade creditors and amounts due to group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below. The main risks arising from the company's financial instruments are credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous periods.

Liquidity risk

The company manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of its business.

Credit risk

Receivables balances are monitored on an ongoing basis and provision is made for doubtful debts as necessary. The risk is mitigated somewhat as the majority of the company's receivables relate to intercompany balances or balances due from related parties.

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.

Going Concern

These financial statements have been prepared on the going concern basis, taking into account the group's, of which the company is a subsidiary of and which takes account of the inter-relationship the company has with the group too, forecasts and projections of anticipated trading performance, which reflect management's judgements in estimating the probability, timing and value of underlying cash flows (which include consideration of the impact of the global coronavirus (COVID-19) pandemic) and that the ultimate parent company, Soho House Holdings Limited, has confirmed that it will continue to provide such financial support as the company requires for its continued operations and so it can continue trading for a period of at least 12 months from the date of approval of these financial statements. Refer to "Going Concern" in note 1 to the financial statements for further detail which forms part of this report by cross reference.

Post balance sheet events

Note 17 forms part of this report by cross reference.

On behalf of the board



N K A Jones
Director

30 April 2021

Soho House Limited
Directors' Report for the period ended 29 December 2019

The directors present their report together with the audited financial statements for the 52 weeks ended 29 December 2019.

Results and dividends

The statement of comprehensive income is set out on page 9 and shows the loss for the period of £4,552,018 (30 December 2018 - profit £461,163).

The directors do not recommend the payment of a dividend (30 December 2018 - £nil).

Directors

The directors of the company during the period were:

N K A Jones
P McPhee (resigned 9th November 2020)
R A Caring
J W S Lawrence (resigned 11th October 2019)
A R Carnie (appointed 9th November 2020)

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company 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 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.

The directors have included information in relation to financial risk management objectives and policies, information on exposure to certain risks, post balance sheet events, future developments in the business and policies regarding the employment of disabled persons in the strategic report on pages 1 to 3.

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



N K A Jones
Director

30 April 2021

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SOHO HOUSE LIMITED

Opinion

We have audited the financial statements of Soho House Limited ("the Company") for the 52 week period ended 29 December 2019 which comprise Statement of comprehensive income, Statement of financial position, Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 December 2019 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.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the reports and 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.

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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.

Responsibilities of Directors

As explained more fully in the Responsibility of Directors, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Iain Henderson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date: 30 April 2021

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

Soho House Limited
Statement of comprehensive income for the period ended 29 December 2019

		52 weeks ended 29 December 2019	52 weeks ended 30 December 2018
	Note	£	£
Turnover	1	3,124,323	2,148,986
Cost of sales		-	-
Gross profit		3,124,323	2,148,986
Administrative expenses		(8,313,545)	(2,382,659)
		(5,189,222)	(233,673)
Adjusted EBITDA *		2,789,075	1,591,209
Depreciation and amortisation	2	(1,141,256)	(960,616)
New site development costs	1	8,205	(696,763)
Foreign exchange	2	68,315	(103,101)
Exceptional items	2	(6,913,561)	(64,402)
Operating loss	2	(5,189,222)	(233,673)
Loss on disposal of joint venture investment		(7,770)	(167,572)
Loss on ordinary activities before interest and other income		(5,196,992)	(401,245)
Other interest receivable and similar income - from joint venture		1,024,871	1,153,254
Interest payable and similar charges	4	(316,823)	(290,846)
(Loss) / profit on ordinary activities before taxation		(4,488,944)	461,163
Taxation on (loss) / profit on ordinary activities	5	(63,074)	-
(Loss) / profit and total comprehensive (loss) / profit for the period		(4,552,018)	461,163

All amounts relate entirely to continuing operations.

* Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation, new site development costs, foreign exchange and other exceptional items.

The notes on pages 12 to 22 form part of these financial statements.

Soho House Limited
Statement of financial position at 29 December 2019

Company Number: 03288116		29 December 2019	29 December 2019	30 December 2018	30 December 2018
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	6		2,900,742		2,638,561
Intangible fixed assets	7		195,072		51,879
Fixed asset investments	8		40,543,294		35,134,273
			<u>43,639,108</u>		<u>37,824,713</u>
Current assets					
Debtors - due within one year	9	50,640,065		54,406,520	
Debtors - due after more than one year	9	<u>10,887,250</u>		<u>10,175,000</u>	
Total debtors		61,527,315		64,581,520	
Cash at bank and in hand		<u>367,020</u>		<u>660,054</u>	
		<u>61,894,335</u>		<u>65,241,574</u>	
Creditors: amounts falling due within one year	10	<u>(68,895,151)</u>		<u>(62,639,627)</u>	
Net current assets			<u>(7,000,816)</u>		<u>2,601,947</u>
Total assets less current liabilities			36,638,292		40,426,660
Provisions for liabilities	11		(763,650)		-
Net assets			<u>35,874,642</u>		<u>40,426,660</u>
Capital and reserves					
Called up share capital	12		1,356,102		1,356,102
Share premium			36,054,575		36,054,575
Capital contribution			4,683,562		4,683,562
Other reserves			348,303		348,303
Profit and loss account			<u>(6,567,900)</u>		<u>(2,015,882)</u>
Shareholders' funds			<u>35,874,642</u>		<u>40,426,660</u>

The financial statements were approved by the board of directors and authorised for issue on 30 April 2021.

NWA Jones

N K A Jones
Director

The notes on pages 12 to 22 form part of these financial statements.

Soho House Limited
Statement of changes in equity for the period ended 29 December 2019

	Share capital £	Share premium £	Capital contribution £	Other reserve £	Profit and loss account £	Total Equity £
At 1 January 2018 (as restated - see Note 16)	1,356,102	36,054,575	4,683,562	348,303	(2,477,045)	39,965,497
Comprehensive loss for the period						
Profit for the period	-	-	-	-	461,163	461,163
At 30 December 2018	1,356,102	36,054,575	4,683,562	348,303	(2,015,882)	40,426,660
Comprehensive loss for the period						
(Loss) for the period	-	-	-	-	(4,552,018)	(4,552,018)
At 29 December 2019	<u>1,356,102</u>	<u>36,054,575</u>	<u>4,683,562</u>	<u>348,303</u>	<u>(6,567,900)</u>	<u>35,874,642</u>

The notes on pages 12 to 22 form part of these financial statements.

1. ACCOUNTING POLICIES

General information

Soho House Limited is a Private Limited Company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the Strategic Report.

Statement of compliance

The financial statements of Soho House Limited have been prepared in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and are in accordance with the applicable accounting standards. The following principal accounting policies have been applied:

Financial reporting standard 102 – reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of SHG Acquisition (UK) Limited (parent company) as at 29 December 2019 and these financial statements may be obtained from Companies House.

Going concern

These financial statements have been prepared on the going concern basis, taking into account the group's, of which the company is a subsidiary of and which takes account of the inter-relationship the company has with the group too, forecasts and projections of anticipated trading performance, which reflect management's judgements in estimating the probability, timing and value of underlying cash flows and that the ultimate parent company, Soho House Holdings Limited ("the Global Group"), has confirmed that it will continue to provide such financial support as the company requires for its continued operations and so it can continue trading for a period of at least 12 months from the date of approval of these financial statements. However, given the relationship between the company and its ultimate parent, it is reliant not only on its ultimate parent's support but on the ultimate parent and thus the Group (of which the company is a subsidiary) maintaining sufficient working capital to support its activities.

1. ACCOUNTING POLICIES

Going concern (continued)

In considering the global coronavirus (COVID-19) pandemic, the resultant global economic uncertainties and impact on the group, the Global Group, of which the company is a part of, have undertaken an assessment of the cashflow forecasts covering a period of at least 12 months from the date of approval of these financial statements. The Global Group cashflow forecasts have been prepared based on a range of scenarios including, but not limited to, no further debt or equity funding, the timing of opening of our houses staggered and/or deferred to the end of the calendar year, cost reductions, both limited and extensive, and a combination of these different scenarios. Furthermore, the Global Group has completed a series of positive working capital events since the year end, including issuance of new senior secured notes in an aggregate amount equal to \$295 million, €62 million (\$73 million) and £53 million (\$73 million) and \$175 million of senior preferred shares. The senior secured notes include an option for the Company to issue additional notes in an aggregate amount of up to \$100 million on or prior to March 31, 2022, while the senior preference shares include an option for the Company to issue additional shares totalling \$75 million at any time up to six months from March 31, 2021. The proceeds from the senior secured notes and senior preference shares have been used to repay the group's legacy Permira Senior Facility and certain other group loans.

The key factors in relation to these plans are:

- the timing of re-opening of Houses in a manner that is compliant with local laws and regulations, as well as anticipated demand;
- the level of in-House sales activity (primarily sales of food and beverage) that, even after opening, may be subject to reduced capacity as a result of on-going restrictions;
- the continued high level of membership retention and renewals (which has been evidenced throughout the pandemic); and
- the implementation of extensive cost reduction measures that continue to support the timing of House re-openings and anticipated levels of capacity.

There is, however, a risk that the Group will be further impacted by continued social distancing restrictions impacting the revenues but the Directors have identified cost savings associated with the reduction in revenue and have the ability to identify further cost savings if necessary too. Furthermore, based on the available cash as a result of the completed financing events discussed above, and the plans that have been put in place to re-open houses in a cost-controlled manner, and that the Group's ultimate parent and controlling party has committed to provide continued financial support, which is deemed as enforceable and committed commitment and that the support will be forthcoming should it be required, the directors believe that the Global Group will be able to operate within its existing facilities and meet their obligations, and liabilities, as they fall due.

Taking account of the above, including our parent company's recent refinancing, noted above, and letter of support from our ultimate parent, which the company's directors also deem is an enforceable and committed commitment and that the support will be forthcoming should it be required, the Directors confirm that they have reasonable expectation that the company will have adequate resources to continue in operational existence for the next 12 months from approval of these financial statements and accordingly these financial statements are prepared on a going concern basis.

Consolidated financial statements

The financial statements contain information about Soho House Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by Section 400 of the Companies Act 2006 not to produce consolidated financial statements.

Valuation of investments

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

1. ACCOUNTING POLICIES (continued)

Turnover

Management fees are earned from operations managed by the company under a long-term contract with the House owner. Management fees include a base fee which is earned and recognised on a monthly basis as the performance criteria are defined by the terms of the management contract.

New site development costs

New site development costs include costs associated with the acquisition, opening, conversion and initial set up of new and converted sites including rent, overhead expenses and pre-opening marketing.

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

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 reporting 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 reporting date. Deferred tax balances are not discounted.

Tangible fixed assets and depreciation

Tangible assets are stated at historic cost less accumulated depreciation and accumulated impairment losses. Historic cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets by equal annual instalments over their expected useful lives. It is calculated at the following rates:

- Leasehold properties and improvements - Over period of lease on a straight line basis.
- Fixtures and fittings - 5 years straight line
- Office equipment - 4 years straight line

Exceptional Items

Exceptional items are non-recurring material items which are outside the normal scope of the Group's ordinary activities. These items, in the Directors' view, are required to be separately disclosed by virtue of their nature or incidence to enable a full understanding of the Group's financial performance. Details of these items are provided in the relevant notes.

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 reporting date. Any differences are taken to the profit and loss account.

1. ACCOUNTING POLICIES *(continued)***Critical accounting judgements and estimates**

Impairment of property, plant and equipment - The company formally determines whether property, plant and equipment are impaired by considering indicators of impairment annually. This requires the company to determine the lowest level of assets which generate largely independent cash flows (cash generating units or CGU) and to estimate the value in use of these assets or CGUs; and compare these to their carrying value. Cash generating units are deemed to be individual units or a cluster of units depending on the nature of the trading environment in which they operate. Calculating the value in use requires the company to make an estimate of the future cash flows of each CGU and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Depreciation of property, plant and equipment - Property, plant and equipment is depreciated over its useful life 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 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.

Impairment of investment - determine whether there are indicators of impairment of the Company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the investment.

2. OPERATING LOSS

	52 weeks ended 29 December 2019	52 weeks ended 30 December 2018
This is arrived at after charging / (crediting):		
	£	£
Depreciation of tangible fixed assets	1,129,156	957,639
Amortisation of other intangible fixed assets	12,100	2,977
Exchange differences	(68,315)	103,101

In the current period, auditor's remuneration was borne by Soho House UK Limited, a subsidiary company.

Exceptional items totalling £6,913,561 (30 December 2018 - £64,202) comprise £3,661,542 (30 December 2018 - £nil) impairment against amounts owing from Soho Restaurants Limited, £490 (30 December 2018 - £13,846) of aborted project costs, £1,042,340 (30 December 2018 - £50,556) in relation to a provision for guaranteed performance liability and £2,203,809 (30 December 2018 - £nil) in relation to the Company's share of losses recognised under the indemnity agreement, in relation to joint venture agreement. In line with the Group's strategy for roll out of new sites and concepts, costs are incurred in respect of potential opportunities which subsequently do not meet our evaluation criteria or do not proceed to completion. The aborted project costs are expensed in the profit and loss account.

3. DIRECTORS' REMUNERATION

No director received any emoluments during the current period (30 December 2018 - £nil).

4. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 29 December 2019	52 weeks ended 30 December 2018
	£	£
Other loan interest	25,977	-
Amortisation of loan arrangement fees	197,042	197,042
Loans from group companies	93,804	93,804
	<u>316,823</u>	<u>290,846</u>

5. TAXATION

	52 weeks ended 29 December 2019	52 weeks ended 30 December 2018
	£	£
<i>UK Corporation tax</i>		
Irrecoverable withholding taxes	63,074	-
Total current tax	<u>63,074</u>	<u>-</u>

The tax assessed for the period is higher than (30 December 2018 - lower than) the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

	52 weeks ended 29 December 2019	52 weeks ended 30 December 2018
	£	£
(Loss) / profit on ordinary activities before tax	<u>(4,488,944)</u>	<u>461,163</u>
(Loss) / profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (30 December 2018 - 19%)	(852,899)	87,621
Effects of:		
Impact of non-deductible expenditure	1,312,461	-
Losses (utilised) / carried forward	(240,939)	(87,621)
(Claim) / Surrender of group relief	(218,623)	-
Irrecoverable withholding taxes	63,074	-
Total current tax charge	<u>63,074</u>	<u>-</u>

There are tax losses of £Nil (30 December 2018 - £2,178,991) in the company which have not been recognised as they are not available for future group relief and there is currently insufficient evidence that these losses would be recovered.

Soho House Limited

Notes forming part of the financial statements for the period ended 29 December 2019 (continued)

6. TANGIBLE FIXED ASSETS	Leasehold properties and improvements £	Fixtures and fittings £	Office equipment £	Assets in the course of construction £	Total £
<i>Cost</i>					
At 31 December 2018	111,022	5,295,178	122,728	224,493	5,753,421
Additions	-	899,454	-	491,883	1,391,337
At 29 December 2019	111,022	6,194,632	122,728	716,376	7,144,758
<i>Depreciation</i>					
At 31 December 2018	62,809	2,936,874	115,177	-	3,114,860
Charge for year	4,273	1,117,332	7,551	-	1,129,156
At 29 December 2019	67,082	4,054,206	122,728	-	4,244,016
<i>Net book value</i>					
At 29 December 2019	43,940	2,140,426	-	716,376	2,900,742
At 30 December 2018	48,213	2,358,304	7,551	224,493	2,638,561
7. INTANGIBLE FIXED ASSETS					Trademarks £
<i>Cost</i>					
At 31 December 2018					55,035
Additions					155,293
At 29 December 2019					210,328
<i>Depreciation</i>					
At 31 December 2018					3,156
Charge for year					12,100
At 29 December 2019					15,256
<i>Net book value</i>					
At 29 December 2019					195,072
At 30 December 2018					51,879

8. FIXED ASSET INVESTMENTS

	Investment in joint ventures £	Investments in subsidiary undertakings £	Shares in group undertakings £	Capital contributions £	Total £
<i>Cost</i>					
At 31 December 2018	10,292,548	9,376,908	10,781,255	4,683,562	35,134,273
Intercompany loans repaid	-	(1,340,400)	-	-	(1,340,400)
Additions	6,749,419		2	-	6,749,421
At 29 December 2019	17,041,967	8,036,508	10,781,257	4,683,562	40,543,294

The addition in the period primarily relates to additional capital invested into joint ventures.

The company's undertakings at the period end are as follows:

	Country of incorporation or registration	Proportion of voting rights and ordinary share capital	Nature of business
<i>Subsidiary undertakings</i>			
Soho House UK Limited	England	100%	Leisure
Soho House Properties Limited	England	100%	Property investment
Cowshed Products Limited	England	100%	Cosmetics
NBJ Leisure Limited	England	100%	Non trading
Soho House Berlin GmbH	Germany	100%	Leisure
Soho House Toronto Limited	England	100%	Holding company
Barber & Parlour Limited	England	100%	Non-trading
Soho Townhouse Limited	England	100%	Leisure
Soho House Toronto ULC	Canada	100%*	Holding company
Cowshed LLC	USA	100%*	Non trading
Neville Cut and Shave Limited	England	100%	Dormant
Soho Home Limited	England	100%	Retail
In House Design & Build Limited	England	100%	Construction
Cheeky Nails Limited	England	100%	Dormant
Soho Home LLC	USA	100%*	Dormant
Cowshed Istanbul Perakende Pazarlama ve Limited	Turkey	100%*	Holding company
Soho House Istanbul Otelcilik Limited	Turkey	100%*	Holding company
Soho Housemarket Istanbul Perakende Pazarlama ve Limited	Turkey	100%*	Holding company
Cowshed Products Holdings Limited	England	100%	Holding company
Soho Home Holdings Limited	England	100%	Holding company
Fish Shop Limited	England	100%	Dormant
HTN F&B Limited	England	100%	Dormant
Soho House (Management Services) Limited	England	100%	Dormant
Soho House Hong Kong Limited	Jersey	100%	Dormant
Soho House Amsterdam B.V. (formerly HTN F&B (Amsterdam) B.V.)	Netherlands	100%	Restaurant operator
SHA Dormant B.V. (formerly Soho House Amsterdam B.V.)	Netherlands	100%	Holding company
Soho House CWH Limited	England	100%	Membership

8. FIXED ASSET INVESTMENTS *(continued)*

	Country of incorporation or registration	Proportion of voting rights and ordinary share capital	Nature of business
<i>Subsidiary undertakings (continued...)</i>			
Soho House Paris S.A.S	France	100%*	Leisure
Soho House Rome Srl	Italy	100%*	Non trading
Sunshine AcquireCo Limited	England	100%*	Holding company
Sunshine Mykonos Limited	Jersey	100%*	Holding
Sunshine Future Projects Limited	Jersey	75%*	Holding
Paraga Beach SA	Greece	67%*	Leisure
Q Hellas PC	Greece	75%*	Leisure
OMO SA	Greece	71.26%*	Leisure

Joint ventures

Soho Works Limited	England	100%	Co-working
Soho House Toronto Partnership	Canada	50%*	Leisure
Raycliff Red LLP	England	50%*	Holding company
Raycliff Shoreditch Holdings LLP	England	50%*	Property company
Soho House - Sydeli LLP	UK	50%	Holding company
Mimea XXI S.L.	Spain	50%	Holding company
Mirador Barcel S.L.	Spain	50%*	Property and Leisure

* Represents indirect shareholding

The principal office of subsidiary and joint venture undertakings is 180 The Strand, London, United Kingdom, WC2R 1EA.

The principal office of Mimea XXI S.L. and Mirador Barcel S.L. is Plaza del Duque de Medinaceli, 4, 08002 Barcelona, Spain

The principal office of Soho House Berlin GmbH is Torstraße 1, 10119 Berlin, Germany

The principal office of Barcel Capital S.L. is Plaza del Duque de Medinaceli, 2, 08002 Barcelona, Spain

The principal office of Raycliff Red LLP is 44 Southampton Buildings, London, WC2A 1AP

The principal office of HTN F&B Amsterdam BV is Herengracht 255, 1016 BJ Amsterdam, Netherlands

The principal office of Soho House Toronto Partnership is 192 Adelaide St W, Toronto, ON M5H 0A4, Canada

The principal office of Paraga Beach SA, Q Hellas PC, OMO SA is Paraga Beach, 84600 Mykonos, Greece

The principal office of Soho House Istanbul Otelcilik Limited is Evliya Çelebi, Meşrutiyet Cd. No:56, 34430 Beyoğlu/İstanbul, Turkey

The principal office of Sunshine Mykonos Limited and Sunshine Future Projects Limited is 3rd Floor, 44 Esplanade, St Helier, JE4 9WG, Jersey

The principal office of Soho House Rome Srl is Via Giacomo Leopardi 7, 20123 Milan

The principal office of Soho House Paris S.A.S is 23 Rue du Roule, Paris (75001)

9. DEBTORS

	29 December 2019	30 December 2018
	£	£
Amounts receivable within one year:		
Trade debtors	276,497	-
Amounts owed by group undertakings	46,483,874	42,598,373
Amounts owed by related undertakings (Note 14)	1,050,798	8,973,097
Other debtors	1,586,809	1,814,904
Prepayments and accrued income	1,242,087	1,020,146
	<u>50,640,065</u>	<u>54,406,520</u>
Amounts receivable after more than one year:		
Amounts due from joint ventures (Note 14)	10,887,250	10,175,000
	<u>61,527,315</u>	<u>64,581,520</u>
Total debtors		

10. CREDITORS: Amounts falling due within one year

	29 December 2019	30 December 2018
	£	£
Trade creditors	141,369	216,350
Amounts owed to group undertakings	62,365,576	54,744,685
Amounts owed to joint venture undertakings (Note 14)	21,175	21,175
Amounts owed to related undertakings (Note 14)	2,203,809	2,882,571
Accruals	4,163,222	4,774,846
	<u>68,895,151</u>	<u>62,639,627</u>

The amounts owed to group entities have been classified as current, as there is no right to defer payment for more than 12 months. However, the company has received an undertaking that they will not have to repay the monies owed for a period of at least 12 months.

11. Provisions for liabilities

	29 December 2019	30 December 2018
	£	£
Onerous lease provisions	763,650	-
	<u>763,650</u>	<u>-</u>

Where leasehold properties become vacant, the Group provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of the disposal or sublease. This provision relates to a vacant restaurant in South London which was vacant by the tenants in June 2019 and is currently surplus to the Group's requirements.

12. CALLED UP EQUITY SHARE CAPITAL

	29 December 2019	30 December 2018
	£	£
Allotted, called up and fully paid:		
13,561,102 ordinary shares of £0.10 each	<u>1,356,102</u>	<u>1,356,102</u>

Share capital - ordinary shareholder is entitled to one vote for each ordinary share held by them. Each ordinary shareholder is entitled pari passu to dividend payments or any other distribution.

Voluntary shareholder capital contributions are not credited to the company's profit and loss account, but are credited to the Capital Contribution Reserve. Share premium reserve represents that part of shareholders' formed of the premium paid for new shares above their nominal value. Profit and loss account includes all current and prior period retained profits and losses. Other reserves - includes all other items.

13. CONTINGENT LIABILITIES

As at 29 December 2019 there were unlimited intercompany composite guarantees secured on certain assets of the Global Group to cover the Group borrowings which are accounted for in the intermediate parent companies' financial statements, SHG Acquisition (UK) Limited and Soho House Bond Limited.

14. RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary of Soho House Holdings Limited and has taken advantage of the exemption conferred by FRS102 not to disclose transactions with Soho House Holdings Limited wholly owned subsidiaries.

	29 December 2019	30 December 2018
	£	£
<i>Amounts owed by related undertakings - due within one year (Note 9)</i>		
Soho Restaurants Limited *	-	3,048,364
Soho House & Co Limited	13,803	13,803
Mirador Barcel S.L.	480,989	5,738,576
Soho House Finance S.A.R.L	553,330	169,678
Soho House New York, LLC	1,534	1,534
Soho House Beach House, LLC	1,142	1,142
	<u>1,050,798</u>	<u>8,973,097</u>
<i>Amounts owed by joint venture undertaking - due after more than one year (Note 9)</i>		
Soho Works Limited	<u>10,887,250</u>	<u>10,175,000</u>
<i>Amounts owed to joint venture undertakings - due within one year (Note 10)</i>		
Soho Works Limited	<u>21,175</u>	<u>21,175</u>
<i>Amounts owed to related undertaking - due after more than one year (Note 10)</i>		
Little Beach House Barcelona S.L.	2,203,809	-
Soho House Finance S.A.R.L	-	2,882,571
	<u>2,203,809</u>	<u>2,882,571</u>

These company's form part of the group headed by Soho House Holdings Limited but are not 100% owned subsidiaries and are deemed related due to common shareholders.

* This company is deemed related due to common shareholders.

14. RELATED PARTY DISCLOSURES *(continued)*

Included within Prepayments and accrued income is an amount of £762,107 (30 December 2018 - £712,247) relating to an amount due from Soho Works Limited in relation to accrued interest. Total interest recognised as income in the period was £1,024,871 (30 December 2018 - £887,247).

15. ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP

At 29 December 2019, the company's ultimate parent company was Soho House Holdings Limited, a Jersey registered company.

The immediate parent company at 29 December 2019 was SHG Acquisition (UK) Limited, a UK registered company.

At 29 December 2019, 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 Holdings 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.

16. COMMITMENTS UNDER OPERATING LEASES

The company had total future minimum commitments under non-cancellable operating leases as set out below:

	Land and Buildings 29 December 2019 £	Land and Buildings 30 December 2018 £
Not later than 1 year	161,500	-
Later than 1 year and not later than 5 years	646,000	-
Later than 5 years	506,482	-
	<u>1,313,982</u>	<u>-</u>

Operating lease commitments in 2019 relate to the Bedford Hill lease agreement.

17. POST BALANCE SHEET EVENTS

The rapid emergence of the coronavirus pandemic has caused significant disruption to many businesses where the implementation of social distancing measures is not practical or deemed ineffective. This has had material implications for the wider global economy. As a Global Group, our Houses, hotels and public restaurants were closed from the middle of March 2020 impacting our workforce and our ability to fully engage with our members. Furthermore, this has had a significant impact on our revenues, costs, working capital and cashflows since this time.

In May 2020, we started to re-open our Houses and were able to operate the majority of our Houses, albeit often at a significantly reduced capacity, over the summer months 2020. In accordance with local laws and regulations, we have provided staff with the necessary personal protective equipment and increased spacing in our public spaces and communicated these changes to our members and customers. In December 2020, all our UK Houses were closed and remain closed in accordance with UK laws and regulations, UK Houses partly re-opened in April 2021 and are due to fully re-open thereafter. Our non-UK Houses (other than those with scheduled seasonality closures) remain open but are currently operating with significant restrictions in terms of capacity, and opening hours. There is a risk that the Company will be impacted by decisions of our members and delays in our ability to fully open our Houses, hotels and public restaurants, which could affect the Company's working capital. The coronavirus pandemic was not a condition in existence at the year end and, therefore, it represents a non-adjusting subsequent event.