

Registered number: 07403174

## GRAYSONS HOSPITALITY LIMITED

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023



## GRAYSONS HOSPITALITY LIMITED

### COMPANY INFORMATION

|                             |                                                                                                                                                                                                                       |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>            | B H C Watson<br>Sir F H Mackay<br>I Daly (resigned 12 January 2023)<br>T P O'Neill<br>C Johnson (appointed 12 January 2023)<br>H L Milligan-Smith (appointed 12 January 2023)<br>R C Perry (appointed 16 August 2022) |
| <b>Company secretary</b>    | S Miah                                                                                                                                                                                                                |
| <b>Registered number</b>    | 07403174                                                                                                                                                                                                              |
| <b>Registered office</b>    | Ascent 4<br>Farnborough Aerospace Centre<br>Farnborough<br>GU14 6XN                                                                                                                                                   |
| <b>Independent auditors</b> | Price Bailey LLP<br>Chartered Accountants & Statutory Auditors<br>Causeway House<br>1 Dane Street<br>Bishop's Stortford<br>Hertfordshire<br>CM23 3BT                                                                  |

# **GRAYSONS HOSPITALITY LIMITED**

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## **GRAYSONS HOSPITALITY LIMITED**

### **GROUP STRATEGIC REPORT FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

#### **Principle activities and recent changes**

The Graysons Hospitality group of companies (the Group) is principally engaged in the supply of contract catering, hospitality and event catering services in the following sectors: workplace catering for business and industry across the UK, event venue management, public visitor attraction catering, and as a listed caterer at all of the prestigious venues in and around London. The principal activity of the Company is that of a parent undertaking.

The Group's business has recovered well following the interruption caused by COVID-19 and was successful in mitigating the impacts and securing its financial position for the future and these financial statements demonstrate this recovery and successful return to business despite some hangover impact in the earlier part of the year from December 2021 restrictions.

The Group has continued to focus on its long-term strategic development and the trend of securing significant and prestigious new contracts continued both during the period and since the period end in its core market sectors, and the current new business pipeline and tendering activity remains very strong.

The Group was acquired by Aramark in January 2023 but has the freedom to continue to operate as an independent business as part of the Aramark group. A strong market position, enhanced by the continued integration of other previously independent operators into larger organisations in the same market, thus eliminating competitors, and the financial strength of its new shareholder maintains the Company's ability to continue to deliver successful development and growth in future periods.

#### **Results for the 12 months**

Turnover for the 12 month period is £33.5m, which, even allowing for the reduced period length of 6 months of the previous period shows significant growth. This is a combination of the recovery from the pandemic and the addition of new contracts in the period.

The EBITDA profit for the 12 month period of £568,377 was after a charge for Exceptional costs of £333,461 which means the underlying EBITDA was £901,838. This EBITDA converts to a lower % of Turnover when compared to the previous period as it no longer benefited from the savings made during the pandemic where the cost base to support the business was rebuilt ahead of volumes returning to ensure a stable and successful recovery following the impacts of the pandemic, maintaining the Group's reputation for quality and service to its clients and customers. The EBITDA shown in the body of the Consolidated Statement of Comprehensive Income reflects the underlying cash generation of the operating business before accounting for capital expenditure and financing activities.

The Group shows an Operating Loss for the 12 month period of £141,096. Part of the reasons for this loss are as explained above in respect of the lower EBITDA % but the Operating Loss is also after charges for Exceptional costs of £333,461, an increased Depreciation charge due to capital investment of £401,332 and the Amortisation of Goodwill arising on creation of the Group in 2011 of £280,478.

Given that this period represents a strong recovery from the impacts of the pandemic, and in the knowledge that the Group has acquired a number of significant new contracts both during and since the period end, the directors would expect to see further significant growth in sales and profitability in the next 12 months.

## **GRAYSONS HOSPITALITY LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

#### **Operational review**

##### **Graysons (Graysons Restaurants Limited)**

Led by Managing Director Tim O'Neill, Graysons is a well established caterer and maintains its focus on developing market share in the workplace catering, event venues management, and public visitor attraction catering markets. It has built a reputation for high quality innovative catering with a bespoke, client centric approach.

Through its corporate client base it provides tailor made staff and public restaurants, cafés, and hospitality and event services to a wide range of businesses including the financial, media and medical research sectors. Alongside this Graysons also delivers bespoke and creative solutions in the equally important conference and event market managing the sales, marketing, and conferencing at unique venues in and around London as well as operating the visitor restaurants, bars, and cafés at these venues. In addition Graysons works in the public visitor and cultural sector managing public cafés, restaurants, and private members services as well as in higher education on university campuses.

The ethos of the business continues to be to utilise fresh produce from selected local suppliers whilst continually attracting and developing talented people to deliver bespoke modern food service environments for our customers. The company also continues to recognise its responsibilities to the environment as well as ensuring the quality of its services and is accredited with ISO 9001, ISO 14001, ISO 22000 and 45001.

During the period and since the period end the management team have been focussed on re-establishing the growth of the Group following the pandemic through the successful retention and extension of existing contracts as well as continuation of delivering growth through the mobilisation of significant new contracts and remain committed to returning to developing sustainable growth in its core sectors over the coming years.

##### **By Word of Mouth Limited**

Led by Rick Perry, By Word of Mouth continues to be one of the UK's most admired party design and event catering companies and has been a leader in its industry for over 30 years.

It provides exceptional quality and operates in a wide variety of stunning, high profile and historic venues with both corporate entities and private individuals as its clients.

The strong results for the period reflect the strength of the company's proposition, its reputation for quality and its long-established presence in this market. The directors are confident that the company will continue to deliver significant levels of profitability in the future consistent with those seen in years prior to the pandemic.

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## **GRAYSONS HOSPITALITY LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

#### **Principal risks and uncertainties**

The majority of the Group's turnover is derived from contractual revenue streams which, whilst not all guaranteed, have a reasonable degree of certainty in normal circumstances.

The ongoing commercial risk for companies in this sector is to retain existing clients and grow organically. The Company's strategy is to align itself with client organisations and to work very closely to deliver joint financial, quality, and cultural targets. As such we have strong client relationships and historical trends show that the Group continues to be very successful in renewing these key relationships and attaining new relationships.

In addition there is a proportion of turnover that is derived from event based revenue streams and these do have some risk associated with them although this is mitigated by the quality of the venues that we operate at in and around London coupled with an excellent reputation in the market for event service delivery.

Retention of key management, attracting the highest calibre people, and developing our existing teams in the Group is important in maintaining these relationships, delivering quality service and providing continuity and consistency and the Group continues to demonstrate its ability in this area with a core senior management structure that is largely unchanged since June 2013, and with high achieving individuals added to the wider team during this time.

In respect of the impact of some of the current wider macro-economic and political circumstances, the diversified nature of the Group's businesses which operate in several different markets at different levels, will help mitigate potential risks with these being primarily around the Labour Market and the Supply Chain. The Board have considered these potential risks and the mitigating factors and believe that potential impacts arising from these threats can be managed and steps are being and have been taken to achieve this.

#### **Financial risk management**

The Group's principal financial instruments comprise bank overdrafts and cash. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The Group does not enter into derivative transactions.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are liquidity risk and credit risk. The board reviews and agrees policies for managing these risks and they are summarised below.

#### **Liquidity risk**

The Board of Directors continually review the facilities available to the Group and seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

#### **Credit risk**

The Group trades with only recognised creditworthy third parties. It is the Group policy that all significant customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

## **GRAYSONS HOSPITALITY LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

#### **Financial key performance indicators**

The Directors consider the key performance indicators of the Group to be Turnover and Operating profit. Turnover for the 6 month period was £33,533,639 (2022 £11,948,277, 6 months) and the Operating Loss was £141,096 (2022 £675,678 Profit, 6 months).

As highlighted above in 'Results for the year', the Group shows an Operating Loss for the period but this is after charges for Exceptional items of £333,461 and for Depreciation and Amortisation of Goodwill totalling £681,810 (note reference to EBITDA in 'Results for the year').

Allowing for the fact that the Operating Loss includes the charges highlighted above and taking into consideration the comments made earlier in this report in respect of EBITDA and the underlying performance of the Group's contracts and the opportunities for continued growth, the directors are pleased with the performance of the Group overall.

#### **Summary**

Following a successful recovery from the pandemic, the Group continues to build on its successes in securing significant new contracts over the last 7 years and has added further new contracts during the period and in the first half of 2023. The group has achieved this whilst continuing to retain and develop its existing contractual relationships and capitalising on its stable business structure and based on this and the powerful combination of financial strength through its new shareholder with continued operating independence, the Directors expect the business to continue to achieve significant growth and development in its preferred sectors.

#### **Going concern**

The group financial statements show positive net assets and net current liabilities. The financial statements have been prepared on a going concern basis, which assumes that the group has sufficient resources to enable it to continue operating and to meet its liabilities as they fall due. The directors believe the going concern assumption to be appropriate for the reasons set out below.

The group directors have prepared cash flow forecasts for 16 months from the date of signing these financial statements. The directors believe the forecasts to be prudent and have undertaken sensitivity analysis to take account of potential risks. Given the contractual and diverse nature of the group's business, however, there is a significant ability to mitigate future uncertainties.

The group also enjoys the support of its new major shareholder Aramark, a publicly listed entity incorporated in the United States which has recently provided working capital for the group's development and in a letter to the directors has committed to providing financial support to the group to ensure its future development and expansion.

Further to this the group continues to be very active in tendering for new contracts and has been successful in securing 5 new contracts in the last 8 months with annual Turnover of approximately £9m and with a significant further value of new contracts currently being tendered and due to be tendered within the next 12 months. As a result of this continued activity the directors reasonably expect to gain further new business following the recent contract additions given the group's established reputation and the continued consolidation of competitors in the marketplace in recent years.

**GRAYSONS HOSPITALITY LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

Given all of these factors and the fact that the forecasts demonstrate the ability of the group to operate well within its existing cash resources the Board has a reasonable expectation that the group has adequate resources to continue its operations for the foreseeable future.

For the reasons laid out above the Board continues to adopt the going concern basis in preparing these financial statements.

This report was approved by the board on 22 Sep 2023

and signed on its behalf.

*Francis Mackay*  
**Sir F H Mackay**  
Sir Francis Mackay (Sep 22, 2023,  
Director)



## **GRAYSONS HOSPITALITY LIMITED**

### **DIRECTORS' REPORT FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

The directors present their report and the financial statements for the 12 months ended 1 January 2023.

The comparative period was shortened to allow the Group to demonstrate its recovery in trading during the 6 month period ended 2 January 2022 following interruption caused by the COVID-19 pandemic.

#### **Directors**

The directors who served during the 12 months were:

B H C Watson  
Sir F H Mackay  
I Daly (resigned 12 January 2023)  
T P O'Neill  
R C Perry (appointed 16 August 2022)  
C Johnson (appointed 12 January 2023)  
H L Miligan-Smith (appointed 12 January 2023)

#### **Results and dividends**

The loss for the 12 months, after taxation, amounted to £25,321 (6 months ended 2 January 2022 - profit £ 800,700).

The Directors did not recommend the payment of any dividends within the 12 months (6 months ended 2 January 2022: £Nil)

#### **Directors' responsibilities statement**

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), 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 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 judgments 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

## GRAYSONS HOSPITALITY LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE 12 MONTHS ENDED 1 JANUARY 2023

#### Engagement with employees

The Group is committed to involving employees in its activities and believes that effective communication brings important benefits and participation, and this is facilitated through frequent staff, team and director meetings. Typical methods of communication include weekly and monthly management meetings, monthly newsletters, and a group-wide personal development review system for all employees providing a forum for active participation and feedback.

The Group is an equal opportunities employer and is committed to ensuring no employee or applicant is treated less favourably on the grounds of age, race, religion, gender, ethnic origin, disability or sexual orientation.

The Group also operates a share option plan for certain employees as the board consider it essential, as part of the strategic development of the Group, that the management teams in the business participate in its future growth and success.

#### Disabled employees

The Group continues to support the employment of disabled persons, wherever practicable, and to ensure that they share in the training, career development and promotion opportunities available to all employees.

#### Matters covered in the Group Strategic Report

Information in respect of future developments and financial risk management is provided in the Strategic Report.

#### Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has 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 auditors are aware of that information.

#### Auditors

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### Post balance sheet events

The Group was acquired by Aramark Limited on the 12th January 2023.

This report was approved by the board on 22 Sep 2023

and signed on its behalf.

*Francis Mackay*

Sgt Francis Mackay (Sep 22, 2023,  
9:55am)  
Director

## **GRAYSONS HOSPITALITY LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAYSONS HOSPITALITY LIMITED**

#### **Opinion**

We have audited the financial statements of Graysons Hospitality Limited (the 'parent Company') and its subsidiaries (the 'Group') for the 12 months ended 1 January 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 1 January 12 Months Ended 1 January 2023 and of the Group's loss for the 12 months 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

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 or the 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.

## **GRAYSONS HOSPITALITY LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAYSONS HOSPITALITY LIMITED (CONTINUED)**

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

#### **Opinion 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 Group Strategic Report and the Directors' Report for the financial 12 months for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

## GRAYSONS HOSPITALITY LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAYSONS HOSPITALITY LIMITED (CONTINUED)

#### Auditors' 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 Auditors' 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 Group financial statements.

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 frameworks that are applicable to the Group and parent Company. We concluded that there are particular laws and regulations that are significant to the business that may influence amounts and disclosures within the financial statements and any non-compliance in some instances would have a detrimental impact on the organisation;
- We understood how the Group and the parent Company are complying with those legal and regulatory frameworks by making enquiries of management. Any matters arising are communicated to the board so we have corroborated this through review of board minutes;
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud;
- We assessed the susceptibility of the Group's and parent Company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and through manipulation of accounting estimates. Audit procedures performed included:
  - Identifying and assessing the design and implementation of controls that management has in place to prevent and detect fraud;
  - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
  - Challenging assumptions and judgements made by management in its significant accounting estimates; and
  - Confirming the compliance with relevant laws and regulations as part of our procedures on related financial statement items;
- We completed audit procedures to conclude on the compliance of disclosures in the accounts with applicable financial reporting requirements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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**GRAYSONS HOSPITALITY LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAYSONS HOSPITALITY LIMITED  
(CONTINUED)**

**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 Auditors' 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.

Andrew Booth (Senior Statutory Auditor)

for and on behalf of  
**Price Bailey LLP**

Chartered Accountants &  
Statutory Auditors

Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire

CM23 3BT

Date: 22 September 2023

**GRAYSONS HOSPITALITY LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

|                                                         | Note | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|---------------------------------------------------------|------|----------------------------------------------|---------------------------------------------|
| Turnover                                                | 4    | 33,533,639                                   | 11,948,277                                  |
| Cost of sales                                           |      | (12,507,135)                                 | (3,843,841)                                 |
| <b>Gross profit</b>                                     |      | <b>21,026,504</b>                            | <b>8,104,436</b>                            |
| Administrative expenses                                 |      | (20,834,139)                                 | (7,649,575)                                 |
| Exceptional administrative expenses                     | 12   | (333,461)                                    | (37,456)                                    |
| Other operating income                                  | 5    | -                                            | 258,273                                     |
| EBITDA                                                  |      | 568,377                                      | 955,680                                     |
| Depreciation                                            |      | (401,332)                                    | (189,000)                                   |
| Loss on disposal                                        |      | (27,663)                                     | -                                           |
| Operating profit/(loss) before amortisation             |      | 139,382                                      | 766,680                                     |
| Amortisation                                            |      | (280,478)                                    | (91,000)                                    |
| <b>Operating (loss)/profit</b>                          | 6    | <b>(141,096)</b>                             | <b>675,678</b>                              |
| Interest payable and similar expenses                   | 10   | (132,507)                                    | (74,353)                                    |
| <b>(Loss)/profit before taxation</b>                    |      | <b>(273,603)</b>                             | <b>601,325</b>                              |
| Tax on (loss)/profit                                    | 11   | 248,282                                      | 199,375                                     |
| <b>(Loss)/profit for the financial 12 months</b>        |      | <b>(25,321)</b>                              | <b>800,700</b>                              |
| <b>(Loss)/profit for the 12 months attributable to:</b> |      |                                              |                                             |
| Owners of the parent Company                            |      | (25,321)                                     | 800,700                                     |
|                                                         |      | <b>(25,321)</b>                              | <b>800,700</b>                              |

There were no recognised gains and losses for the 12 months ended 1 January 2023 or 6 months ended 2 January 2022 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for the 12 months ended 1 January 2023 or 6 Months Ended 2 January 2022.

The notes on pages 19 to 45 form part of these financial statements.

**GRAYSONS HOSPITALITY LIMITED**  
**REGISTERED NUMBER: 07403174**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 1 JANUARY 2023**

|                                                         |      | 12 Months<br>Ended<br>1 January<br>2023<br>£ | As restated<br>6 Months<br>Ended<br>2 January<br>2022<br>£ |
|---------------------------------------------------------|------|----------------------------------------------|------------------------------------------------------------|
|                                                         | Note |                                              |                                                            |
| <b>Fixed assets</b>                                     |      |                                              |                                                            |
| Intangible assets                                       | 14   | 2,463,754                                    | 2,740,607                                                  |
| Tangible assets                                         | 15   | 901,661                                      | 714,902                                                    |
| Investment property                                     | 17   | 490,682                                      | 814,800                                                    |
|                                                         |      | <u>3,856,097</u>                             | <u>4,270,309</u>                                           |
| <b>Current assets</b>                                   |      |                                              |                                                            |
| Stocks                                                  | 18   | 450,738                                      | 392,455                                                    |
| Debtors: amounts falling due within one year            | 19   | 7,415,320                                    | 3,676,719                                                  |
| Cash at bank and in hand                                | 20   | 839,694                                      | 929,122                                                    |
|                                                         |      | <u>8,705,752</u>                             | <u>4,998,296</u>                                           |
| Creditors: Amounts Falling Due Within One Year          | 21   | <u>(10,642,615)</u>                          | <u>(6,704,676)</u>                                         |
| <b>Net current liabilities</b>                          |      | (1,936,863)                                  | (1,706,380)                                                |
| <b>Total assets less current liabilities</b>            |      | <u>1,919,234</u>                             | <u>2,563,929</u>                                           |
| Creditors: amounts falling due after more than one year | 22   | (1,327,893)                                  | (1,947,267)                                                |
| <b>Net assets</b>                                       |      | <u><u>591,341</u></u>                        | <u><u>616,662</u></u>                                      |
| <b>Capital and reserves</b>                             |      |                                              |                                                            |
| Called up share capital                                 | 28   | 1,330,236                                    | 1,330,236                                                  |
| Share premium account                                   | 29   | 1,045,000                                    | 1,045,000                                                  |
| Profit and loss account                                 | 29   | (1,783,895)                                  | (1,758,574)                                                |
|                                                         |      | <u><u>591,341</u></u>                        | <u><u>616,662</u></u>                                      |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 Sep 2023

*Francis Mackay*  
**Sir F H Mackay**  
 Director  
Sir Francis Mackay (Sep 22, 2023)



**GRAYSONS HOSPITALITY LIMITED**  
**REGISTERED NUMBER: 07403174**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 1 JANUARY 2023**

|                                                         | Note | 12 Months<br>Ended<br>1 January<br>2023<br>£ | As restated<br>6 Months<br>Ended<br>2 January<br>2022<br>£ |
|---------------------------------------------------------|------|----------------------------------------------|------------------------------------------------------------|
| <b>Fixed assets</b>                                     |      |                                              |                                                            |
| Intangible assets                                       | 14   | 200                                          | 600                                                        |
| Tangible assets                                         | 15   | 41,589                                       | 25,520                                                     |
| Investments                                             | 16   | 2,529,838                                    | 2,529,838                                                  |
|                                                         |      | <u>2,571,627</u>                             | <u>2,555,958</u>                                           |
| <b>Current assets</b>                                   |      |                                              |                                                            |
| Debtors: amounts falling due within one year            | 19   | 1,779,322                                    | 1,419,097                                                  |
| Cash at bank and in hand                                | 20   | -                                            | 60,932                                                     |
|                                                         |      | <u>1,779,322</u>                             | <u>1,480,029</u>                                           |
| Creditors: Amounts Falling Due Within One Year          | 21   | 5,811,796                                    | 4,375,532                                                  |
|                                                         |      | <u>(4,032,474)</u>                           | <u>(2,895,503)</u>                                         |
| <b>Net current liabilities</b>                          |      |                                              |                                                            |
|                                                         |      | <u>(1,460,847)</u>                           | <u>(339,545)</u>                                           |
| <b>Total assets less current liabilities</b>            |      |                                              |                                                            |
| Creditors: amounts falling due after more than one year | 22   | (1,260,000)                                  | (1,870,000)                                                |
|                                                         |      | <u>(2,720,847)</u>                           | <u>(2,209,545)</u>                                         |
| <b>Net liabilities</b>                                  |      |                                              |                                                            |
| <b>Capital and reserves</b>                             |      |                                              |                                                            |
| Called up share capital                                 | 28   | 1,330,236                                    | 1,330,236                                                  |
| Share premium account                                   | 29   | 1,045,000                                    | 1,045,000                                                  |
| Profit and loss account                                 |      | (5,096,083)                                  | (4,584,781)                                                |
|                                                         |      | <u>(2,720,847)</u>                           | <u>(2,209,545)</u>                                         |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 Sep 2023

*Francis Mackay*  
**Sir F H Mackay**  
**Director** Mackay (Sep 22, 2023,  
8:53am)

**GRAYSONS HOSPITALITY LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

|                                               | Called up<br>share capital<br>£ | Share<br>premium<br>account<br>£ | Profit and<br>loss account<br>£ | Total equity<br>£ |
|-----------------------------------------------|---------------------------------|----------------------------------|---------------------------------|-------------------|
| At 3 January 2022                             | 1,330,236                       | 1,045,000                        | (1,758,574)                     | 616,662           |
| <b>Comprehensive income for the 12 months</b> |                                 |                                  |                                 |                   |
| Loss for the 12 months                        | -                               | -                                | (25,321)                        | (25,321)          |
| <b>At 1 January 2023</b>                      | <u>1,330,236</u>                | <u>1,045,000</u>                 | <u>(1,783,895)</u>              | <u>591,341</u>    |

The notes on pages 19 to 45 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS ENDED 2 JANUARY 2022**

|                                            | As restated<br>Called up<br>share capital<br>£ | Share<br>premium<br>account<br>£ | As restated<br>Profit and<br>loss account<br>£ | As restated<br>Total equity<br>£ |
|--------------------------------------------|------------------------------------------------|----------------------------------|------------------------------------------------|----------------------------------|
| At 28 June 2021                            | 1,330,236                                      | 1,045,000                        | (2,559,274)                                    | (184,038)                        |
| <b>Comprehensive income for the period</b> |                                                |                                  |                                                |                                  |
| Profit for the period                      | -                                              | -                                | 800,700                                        | 800,700                          |
| <b>At 2 January 2022</b>                   | <u>1,330,236</u>                               | <u>1,045,000</u>                 | <u>(1,758,574)</u>                             | <u>616,662</u>                   |

The notes on pages 19 to 45 form part of these financial statements.

**GRAYSONS HOSPITALITY LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

|                                            | Called up<br>share capital<br>£ | Share<br>premium<br>account<br>£ | Profit and<br>loss account<br>£ | Total equity<br>£  |
|--------------------------------------------|---------------------------------|----------------------------------|---------------------------------|--------------------|
| At 3 January 2022                          | 1,330,236                       | 1,045,000                        | (4,584,781)                     | (2,209,545)        |
| <b>Comprehensive income for the period</b> |                                 |                                  |                                 |                    |
| Loss for the 12 months                     | -                               | -                                | (511,302)                       | (511,302)          |
| <b>At 1 January 2023</b>                   | <u>1,330,236</u>                | <u>1,045,000</u>                 | <u>(5,096,083)</u>              | <u>(2,720,847)</u> |

The notes on pages 19 to 45 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS ENDED 2 JANUARY 2022**

|                                            | As restated<br>Called up<br>share capital<br>£ | Share<br>premium<br>account<br>£ | As restated<br>Profit and<br>loss account<br>£ | As restated<br>Total equity<br>£ |
|--------------------------------------------|------------------------------------------------|----------------------------------|------------------------------------------------|----------------------------------|
| At 28 June 2021                            | 1,330,236                                      | 1,045,000                        | (4,678,682)                                    | (2,303,446)                      |
| <b>Comprehensive income for the period</b> |                                                |                                  |                                                |                                  |
| Profit for the period                      | -                                              | -                                | 93,901                                         | 93,901                           |
| <b>At 2 January 2022</b>                   | <u>1,330,236</u>                               | <u>1,045,000</u>                 | <u>(4,584,781)</u>                             | <u>(2,209,545)</u>               |

The notes on pages 19 to 45 form part of these financial statements.

**GRAYSONS HOSPITALITY LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

|                                                     | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|-----------------------------------------------------|----------------------------------------------|---------------------------------------------|
| <b>Cash flows from operating activities</b>         |                                              |                                             |
| (Loss)/profit for the financial 12 months           | (25,321)                                     | 800,700                                     |
| <b>Adjustments for:</b>                             |                                              |                                             |
| Amortisation of intangible assets                   | 257,201                                      | 91,000                                      |
| Depreciation of tangible assets                     | 401,332                                      | 189,000                                     |
| Loss on partial disposal of investment property     | 23,118                                       | -                                           |
| Loss on disposal of tangible assets                 | 2,654                                        | -                                           |
| Impairment of intangible assets                     | 23,277                                       | -                                           |
| Interest paid                                       | 132,507                                      | 74,000                                      |
| Taxation charge                                     | (248,282)                                    | (199,000)                                   |
| (Increase) in stocks                                | (58,283)                                     | (84,998)                                    |
| (Increase) in debtors                               | (3,490,299)                                  | (1,009,132)                                 |
| Increase in creditors                               | 3,050,447                                    | 599,000                                     |
| <b>Net cash generated from operating activities</b> | 68,351                                       | 460,570                                     |
| <b>Cash flows from investing activities</b>         |                                              |                                             |
| Purchase of intangible fixed assets                 | (3,625)                                      | -                                           |
| Purchase of tangible fixed assets                   | (590,745)                                    | (144,000)                                   |
| Sale of tangible fixed assets                       | -                                            | 41,000                                      |
| Purchase of investment properties                   | (24,000)                                     | (56,000)                                    |
| Sale of investment properties                       | 325,000                                      | -                                           |
| <b>Net cash from investing activities</b>           | (293,370)                                    | (159,000)                                   |

**GRAYSONS HOSPITALITY LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

|                                                                    | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|--------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|
| <b>Cash flows from financing activities</b>                        |                                              |                                             |
| Repayment of loans                                                 | (610,000)                                    | (290,000)                                   |
| Repayment of/new finance leases                                    | (10,124)                                     | (125,000)                                   |
| Interest paid                                                      | (132,507)                                    | (74,000)                                    |
| <b>Net cash used in financing activities</b>                       | <u>(752,631)</u>                             | <u>(489,000)</u>                            |
| <b>Net (decrease) in cash and cash equivalents</b>                 | <u>(977,650)</u>                             | <u>(187,430)</u>                            |
| Cash and cash equivalents at beginning of 12 months                | 765,570                                      | 953,000                                     |
| <b>Cash and cash equivalents at the end of 12 months</b>           | <u><u>(212,080)</u></u>                      | <u><u>765,570</u></u>                       |
| <b>Cash and cash equivalents at the end of 12 months comprise:</b> |                                              |                                             |
| Cash at bank and in hand                                           | 839,694                                      | 929,122                                     |
| Bank overdrafts                                                    | (1,051,774)                                  | (163,552)                                   |
|                                                                    | <u><u>(212,080)</u></u>                      | <u><u>765,570</u></u>                       |

## GRAYSONS HOSPITALITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

#### 1. General information

Graysons Hospitality Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Ascent 4, Farnborough Aerospace Centre, Farnborough, England, GU14 6XN.

The Group is principally engaged in the supply of contract catering and hospitality and event catering services. The principal activity of the Company is that of a parent undertaking.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 judgment in applying the Group's accounting policies (see note 3).

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 financial statements are presented in sterling (£).

The subsidiaries By Word of Mouth Limited (company number 03310603), Graysons Restaurants Limited (company number 04654181), Word on the Street (UK Events) Limited (company number 06324407), Graysons Inns Limited (company number 08033407), Graysons Venues Limited (company number 06321367) and Graysons Limited (company number 06313792) have claimed exemption from audit under the provisions of section 479A of the Companies Act 2006. Graysons Hospitality Limited has provided a guarantee over each subsidiary's liabilities under section 479C of the Act.

The following principal accounting policies have been applied:

##### 2.2 Basis for 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.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2015.

## GRAYSONS HOSPITALITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

#### 2. Accounting policies (continued)

##### 2.3 Going concern

The group financial statements show positive net assets and net current liabilities. The financial statements have been prepared on a going concern basis, which assumes that the group has sufficient resources to enable it to continue operating and to meet its liabilities as they fall due. The directors believe the going concern assumption to be appropriate for the reasons set out below.

The group directors have prepared cash flow forecasts for 16 months from the date of signing these financial statements. The directors believe the forecasts to be prudent and have undertaken sensitivity analysis to take account of potential risks. Given the contractual and diverse nature of the group's business, however, there is a significant ability to mitigate future uncertainties.

The group also enjoys the support of its new major shareholder Aramark, a publicly listed entity incorporated in the United States which has recently provided working capital for the group's development and in a letter to the directors has committed to providing financial support to the group to ensure its future development and expansion.

Further to this the group continues to be very active in tendering for new contracts and has been successful in securing 5 new contracts in the last 8 months with annual Turnover of approximately £9m and with a significant further value of new contracts currently being tendered and due to be tendered within the next 12 months. As a result of this continued activity the directors reasonably expect to gain further new business following the recent contract additions given the group's established reputation and the continued consolidation of competitors in the marketplace in recent years.

Given all of these factors and the fact that the forecasts demonstrate the ability of the group to operate well within its existing cash resources the Board has a reasonable expectation that the group has adequate resources to continue its operations for the foreseeable future.

For the reasons laid out above the Board continues to adopt the going concern basis in preparing these financial statements.

## GRAYSONS HOSPITALITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

###### **Rendering of services**

*Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:*

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.5 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.

##### 2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.



## **GRAYSONS HOSPITALITY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

#### **2. Accounting policies (continued)**

##### **2.7 Finance Leases**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **2.8 Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.9 Borrowing costs**

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the 12 months in which they are incurred.

##### **2.10 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 Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

## **GRAYSONS HOSPITALITY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

#### **2. Accounting policies (continued)**

##### **2.11 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss 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 corporation 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 operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

##### **2.12 Exceptional items**

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

##### **2.13 Intangible assets**

###### **Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

###### **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.

## GRAYSONS HOSPITALITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

#### 2. Accounting policies (continued)

##### 2.14 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:

|                                            |                                              |
|--------------------------------------------|----------------------------------------------|
| Long-term leasehold property               | - over the life of the lease                 |
| Plant and machinery, fixtures and fittings | - 4 to 5 years or over the life of the lease |
| Motor vehicles                             | - 3 to 4 years                               |
| Computer and office equipment              | - 3 to 4 years                               |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.15 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### 2.16 Investment property

Investment property is carried at fair value determined annually by management and supported by regular external valuations and other market data such as current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

##### 2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

*Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Consolidated Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.*

## GRAYSONS HOSPITALITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

#### 2. Accounting policies (continued)

##### 2.18 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.19 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.20 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

*In the Consolidated Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.*

##### 2.21 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.

##### 2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 profit or loss in the year that the Group 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.

##### 2.23 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, 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. However, if the arrangements of a short-term instrument constitute a

## GRAYSONS HOSPITALITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

#### 2. Accounting policies (continued)

##### 2.23 Financial instruments (continued)

financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

*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. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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.

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

##### Intangible fixed assets

Management review their estimate of the useful lives of intangible assets at each reporting date, based on the expected utility of the assets.

##### Property Valuations

Property valuations are obtained on a cyclical basis, the most recent of which was July 2020, by Lambert Smith Hampton. Between valuations, management consider whether there are any factors which indicate that the value of the properties has changed.

#### 4. Turnover

All turnover arose within the United Kingdom and was attributable to the Groups principal primary activity of the provision of catering and hospitality services.

#### 5. Other operating income

|                              | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|------------------------------|----------------------------------------------|---------------------------------------------|
| Government grants receivable | -                                            | 258,273                                     |
|                              | <u>-</u>                                     | <u>258,273</u>                              |

Government grants receivable pertains to the income from the Government Coronavirus Job Retention Scheme.

**GRAYSONS HOSPITALITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

|                                         | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|-----------------------------------------|----------------------------------------------|---------------------------------------------|
| Amortisation - intangible fixed assets  | 257,201                                      | 91,000                                      |
| Depreciation - of tangible fixed assets | 401,332                                      | 189,000                                     |
| Other operating lease rentals           | 25,907                                       | 93,000                                      |
| Exceptional administrative costs        | 333,461                                      | 37,000                                      |

See note 12 for an explanation of the exceptional administrative costs.

**7. Auditors' remuneration**

During the 12 months, the Group obtained the following services from the Company's auditors:

|                                                                                                                    | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|
| Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements | 56,500                                       | 50,000                                      |
| Accounts preparation services                                                                                      | 10,000                                       | 7,000                                       |
| Taxation compliance services                                                                                       | -                                            | 10,000                                      |

**8. Employees**

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

|                                | Group                                        | Group                                       | Company                                      | Company                                     |
|--------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------|---------------------------------------------|
|                                | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
| Wages and salaries             | 14,622,233                                   | 4,956,000                                   | 2,013,367                                    | 896,000                                     |
| Social security costs          | 1,243,074                                    | 467,000                                     | 199,210                                      | 112,000                                     |
| Cost of defined benefit scheme | 288,927                                      | 91,000                                      | 77,311                                       | 14,000                                      |
|                                | 16,154,234                                   | 5,514,000                                   | 2,289,888                                    | 1,022,000                                   |

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The average monthly number of employees, including the directors, during the 12 months was as follows:

|                    | Group                                          | Group                                         | Company                                        | Company                                       |
|--------------------|------------------------------------------------|-----------------------------------------------|------------------------------------------------|-----------------------------------------------|
|                    | 12 Months<br>Ended<br>1 January<br>2023<br>No. | 6 Months<br>Ended<br>2 January<br>2022<br>No. | 12 Months<br>Ended<br>1 January<br>2023<br>No. | 6 Months<br>Ended<br>2 January<br>2022<br>No. |
| Admin & Management | 116                                            | 86                                            | 40                                             | 32                                            |
| Catering           | 415                                            | 303                                           | -                                              | -                                             |
|                    | <u>531</u>                                     | <u>389</u>                                    | <u>40</u>                                      | <u>32</u>                                     |

**9. Directors' remuneration**

|                       | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|-----------------------|----------------------------------------------|---------------------------------------------|
| Directors' emoluments | 631,776                                      | 204,000                                     |
| Pension contributions | 24,220                                       | 17,239                                      |
|                       | <u>655,996</u>                               | <u>221,239</u>                              |

The highest paid director received remuneration of £212,054 for the 12 months ended 1 January 2023 (6 Months ended 2 January 2022 - £103,852).

During the 12 months ended 1st January 2023, retirement benefits were accruing to 3 director (6 Months ended 2 January 2022: 1) in respect of defined contribution pension schemes.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director for the 12 months amounted to £8,100 (6 Months ended 2 January 2022: £1,000).

GRAYSONS HOSPITALITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023

10. Interest payable and similar expenses

|                                            | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|--------------------------------------------|----------------------------------------------|---------------------------------------------|
| Bank interest payable                      | 131,010                                      | 73,604                                      |
| Finance leases and hire purchase contracts | 1,497                                        | 749                                         |
|                                            | <u>132,507</u>                               | <u>74,353</u>                               |

11. Taxation

|                                                  | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|--------------------------------------------------|----------------------------------------------|---------------------------------------------|
| <b>Total current tax</b>                         | <u>-</u>                                     | <u>-</u>                                    |
| <b>Deferred tax</b>                              |                                              |                                             |
| Origination and reversal of timing differences   | (272,726)                                    | (199,375)                                   |
| Changes to tax rates                             | 24,444                                       | -                                           |
| <b>Total deferred tax</b>                        | <u>(248,282)</u>                             | <u>(199,375)</u>                            |
| <b>(Loss)/profit for the financial 12 months</b> | <u>(248,282)</u>                             | <u>(199,375)</u>                            |



# GRAYSONS HOSPITALITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

### 11. Taxation (continued)

#### Factors affecting tax charge for the 12 months/period

The tax assessed for the 12 months is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (6 months ended 2 January 2022 - 19%). The differences are explained below:

|                                                                                                                   | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|
| (Loss)/profit on ordinary activities before tax                                                                   | (273,603)                                    | 601,325                                     |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%) | (51,985)                                     | 114,252                                     |
| <b>Effects of:</b>                                                                                                |                                              |                                             |
| Expenses not deductible for tax purposes                                                                          | 71,113                                       | 19,813                                      |
| Capital allowances for 12 months/period in excess of depreciation                                                 | (2,531)                                      | -                                           |
| Utilisation of tax losses                                                                                         | 5,256                                        | -                                           |
| Remeasurement of deferred tax for changes in tax rates                                                            | 14,282                                       | (359,263)                                   |
| Fixed asset differences                                                                                           | 18,545                                       | 1,823                                       |
| Movement in deferred tax not recognised                                                                           | -                                            | 24,000                                      |
| Movement in deferred tax not previously recognised                                                                | (302,962)                                    | -                                           |
| <b>Total tax charge for the 12 months/period</b>                                                                  | <b>(248,282)</b>                             | <b>(199,375)</b>                            |

#### Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the main rate of corporation tax in the United Kingdom will rise to 25% with effect from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £50,000 or less will continue to pay corporation tax at 19% with a marginal rate adjustment for companies earning annual taxable profits between the two levels. These changes had been substantively enacted at the Statement of Financial Position date and therefore, an adjustment has been made to deferred taxation balances to account for this change.

# GRAYSONS HOSPITALITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

### 12. Exceptional items

|                   | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|-------------------|----------------------------------------------|---------------------------------------------|
| Exceptional items | 333,461                                      | 37,456                                      |
|                   | <u>333,461</u>                               | <u>37,456</u>                               |

Exceptional items during the year related to restructuring costs and costs incurred which related to the sale of the group to a third party. Exceptional items in 2022 related to restructuring and redundancy costs to mitigate the impact of the COVID-19 pandemic.

### 13. Parent company profit for the year

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 12 months was £511,302 (6 months ended 2 January 2022 - profit £93,901).

GRAYSONS HOSPITALITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023

14. Intangible assets

Group

|                                          | Computer<br>software<br>£ | Goodwill<br>£ | Total<br>£ |
|------------------------------------------|---------------------------|---------------|------------|
| <b>Cost</b>                              |                           |               |            |
| At 3 January 2022                        | 493,413                   | 5,398,720     | 5,892,133  |
| Additions                                | 3,625                     | -             | 3,625      |
| At 1 January 2023                        | 497,038                   | 5,398,720     | 5,895,758  |
| <b>Amortisation</b>                      |                           |               |            |
| At 3 January 2022                        | 463,641                   | 2,687,885     | 3,151,526  |
| Charge for the 12 months on owned assets | 7,201                     | 250,000       | 257,201    |
| Impairment charge                        | 23,277                    | -             | 23,277     |
| At 1 January 2023                        | 494,119                   | 2,937,885     | 3,432,004  |
| <b>Net book value</b>                    |                           |               |            |
| At 1 January 2023                        | 2,919                     | 2,460,835     | 2,463,754  |
| At 2 January 2022                        | 29,772                    | 2,710,835     | 2,740,607  |

GRAYSONS HOSPITALITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023

14. Intangible assets (continued)

Company

|                       | Computer<br>software<br>£ |
|-----------------------|---------------------------|
| <b>Cost</b>           |                           |
| At 3 January 2022     | 2,000                     |
| At 1 January 2023     | <u>2,000</u>              |
| <b>Amortisation</b>   |                           |
| At 3 January 2022     | 1,400                     |
| Charge for the year   | 400                       |
| At 1 January 2023     | <u>1,800</u>              |
| <b>Net book value</b> |                           |
| At 1 January 2023     | <u>200</u>                |
| At 2 January 2022     | <u>600</u>                |

GRAYSONS HOSPITALITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023

15. Tangible fixed assets

Group

|                                             | Long-term<br>leasehold<br>property<br>£ | Motor<br>vehicles<br>£ | Plant,<br>Machinery,<br>Fixtures and<br>fittings<br>£ | Computer<br>and Office<br>equipment<br>£ | Total<br>£ |
|---------------------------------------------|-----------------------------------------|------------------------|-------------------------------------------------------|------------------------------------------|------------|
| <b>Cost or valuation</b>                    |                                         |                        |                                                       |                                          |            |
| At 3 January 2022                           | 237,313                                 | 74,573                 | 3,393,181                                             | 921,313                                  | 4,626,380  |
| Additions                                   | -                                       | 95,849                 | 415,361                                               | 79,535                                   | 590,745    |
| Disposals                                   | -                                       | -                      | (3,250)                                               | -                                        | (3,250)    |
| At 1 January 2023                           | 237,313                                 | 170,422                | 3,805,292                                             | 1,000,848                                | 5,213,875  |
| <b>Depreciation</b>                         |                                         |                        |                                                       |                                          |            |
| At 3 January 2022                           | 194,169                                 | 66,968                 | 2,772,986                                             | 877,355                                  | 3,911,478  |
| Charge for the 12 months on<br>owned assets | 4,768                                   | 21,134                 | 328,642                                               | 46,788                                   | 401,332    |
| Disposals                                   | -                                       | -                      | (596)                                                 | -                                        | (596)      |
| At 1 January 2023                           | 198,937                                 | 88,102                 | 3,101,032                                             | 924,143                                  | 4,312,214  |
| <b>Net book value</b>                       |                                         |                        |                                                       |                                          |            |
| At 1 January 2023                           | 38,376                                  | 82,320                 | 704,260                                               | 76,705                                   | 901,661    |
| At 2 January 2022                           | 43,144                                  | 7,605                  | 620,195                                               | 43,958                                   | 714,902    |

The net book value of assets held under finance leases or hire purchase contracts is £100,716 (2022: £269,290).

GRAYSONS HOSPITALITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023

15. Tangible fixed assets (continued)

Company

|                                             | Freehold<br>property<br>£ | Motor<br>vehicles<br>£ | Fixtures and<br>fittings<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|---------------------------------------------|---------------------------|------------------------|-------------------------------|----------------------------|------------|
| <b>Cost or valuation</b>                    |                           |                        |                               |                            |            |
| At 3 January 2022                           | 9,087                     | 20,313                 | 30,589                        | 425,084                    | 485,073    |
| Additions                                   | -                         | -                      | 466                           | 36,097                     | 36,563     |
| At 1 January 2023                           | 9,087                     | 20,313                 | 31,055                        | 461,181                    | 521,636    |
| <b>Depreciation</b>                         |                           |                        |                               |                            |            |
| At 3 January 2022                           | 9,087                     | 20,313                 | 30,589                        | 399,564                    | 459,553    |
| Charge for the 12 months on<br>owned assets | -                         | -                      | 83                            | 20,411                     | 20,494     |
| At 1 January 2023                           | 9,087                     | 20,313                 | 30,672                        | 419,975                    | 480,047    |
| <b>Net book value</b>                       |                           |                        |                               |                            |            |
| At 1 January 2023                           | -                         | -                      | 383                           | 41,206                     | 41,589     |
| At 2 January 2022                           | -                         | -                      | -                             | 25,520                     | 25,520     |

GRAYSONS HOSPITALITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023

16. Fixed asset investments

Company

|                          | Investments<br>in subsidiary<br>companies<br>£ |
|--------------------------|------------------------------------------------|
| <b>Cost or valuation</b> |                                                |
| At 3 January 2022        | 4,355,838                                      |
| At 1 January 2023        | <u>4,355,838</u>                               |
| <b>Impairment</b>        |                                                |
| At 3 January 2022        | 1,826,000                                      |
| At 1 January 2023        | <u>1,826,000</u>                               |
| <b>Net book value</b>    |                                                |
| At 1 January 2023        | <u>2,529,838</u>                               |
| At 2 January 2022        | <u>2,529,838</u>                               |

**GRAYSONS HOSPITALITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

**16. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| <b>Name</b>                            | <b>Registered office</b>                               | <b>Class of shares</b> | <b>Holding</b> |
|----------------------------------------|--------------------------------------------------------|------------------------|----------------|
| Graysons Venues Limited*               | Devon house, Anchor Street, Chelmsford, Essex, CM2 0GD | Ordinary               | 100%           |
| Graysons Limited                       | Devon house, Anchor Street, Chelmsford, Essex, CM2 0GD | Ordinary               | 100%           |
| Graysons Inns Limited ***              | Devon house, Anchor Street, Chelmsford, Essex, CM2 0GD | Ordinary               | 100%           |
| By Word of Mouth Limited               | Devon house, Anchor Street, Chelmsford, Essex, CM2 0GD | Ordinary               | 100%           |
| Word on the Street (UK Events) Limited | Devon house, Anchor Street, Chelmsford, Essex, CM2 0GD | Ordinary               | 100%           |
| Graysons Restaurants Limited           | Devon house, Anchor Street, Chelmsford, Essex, CM2 0GD | Ordinary               | 100%           |
| Graysons Kitchen Limited**             | Devon house, Anchor Street, Chelmsford, Essex, CM2 0GD | Ordinary               | 100%           |

\* denotes an indirect shareholding

\*\* entity was dissolved post year end.

\*\*\* entity left the group post year end.



**GRAYSONS HOSPITALITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

**17. Investment property**

**Group**

|                   | Freehold<br>investment<br>property<br>£ |
|-------------------|-----------------------------------------|
| <b>Valuation</b>  |                                         |
| At 3 January 2022 | 814,800                                 |
| Additions at cost | 24,000                                  |
| Disposals         | (348,118)                               |
|                   | <hr/>                                   |
| At 1 January 2023 | 490,682 <hr/>                           |

A valuation was obtained from Lambert Smith Hampton in July 2020, on an open market value. The directors confirm that the carrying value at 1 January 2023 as disclosed is fair value.

**18. Stocks**

|                               | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|-------------------------------|----------------------------------------------|---------------------------------------------|
| Raw materials and consumables | 450,738                                      | 392,455                                     |
|                               | <hr/>                                        | <hr/>                                       |
|                               | 450,738                                      | 392,455 <hr/>                               |

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**GRAYSONS HOSPITALITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

**19. Debtors**

|                                    | Group                                        | Group                                       | Company                                      | Company                                     |
|------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------|---------------------------------------------|
|                                    | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
| Trade debtors                      | 4,672,922                                    | 1,590,438                                   | -                                            | -                                           |
| Amounts owed by group undertakings | -                                            | -                                           | 1,525,996                                    | 1,222,242                                   |
| Other debtors                      | 607,778                                      | 340,011                                     | 30,000                                       | -                                           |
| Prepayments and accrued income     | 1,173,937                                    | 1,033,869                                   | 223,326                                      | 196,855                                     |
| Deferred taxation                  | 960,683                                      | 712,401                                     | -                                            | -                                           |
|                                    | <u>7,415,320</u>                             | <u>3,676,719</u>                            | <u>1,779,322</u>                             | <u>1,419,097</u>                            |

An impairment loss of £5,000 (2022: £39,918) was recognised against trade debtors during the year.

**20. Cash and cash equivalents**

|                          | Group                                        | Group                                       | Company                                      | Company                                     |
|--------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------|---------------------------------------------|
|                          | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
| Cash at bank and in hand | 839,694                                      | 929,122                                     | -                                            | 60,932                                      |
| Less: bank overdrafts    | (1,051,774)                                  | (163,552)                                   | (84,948)                                     | -                                           |
|                          | <u>(212,080)</u>                             | <u>765,570</u>                              | <u>(84,948)</u>                              | <u>60,932</u>                               |

Included within bank overdrafts is £962,144 (2022: £163,552) offered as security under an invoice financing facility.

**GRAYSONS HOSPITALITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

**21. Creditors: Amounts falling due within one year**

|                                                                | Group                                        | Group                                       | Company                                      | Company                                     |
|----------------------------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------|---------------------------------------------|
|                                                                | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
| Bank overdrafts                                                | 1,051,774                                    | 163,552                                     | 84,948                                       | -                                           |
| Bank loans                                                     | 540,000                                      | 540,000                                     | 540,000                                      | 540,000                                     |
| Trade creditors                                                | 4,794,188                                    | 2,346,160                                   | -                                            | -                                           |
| Amounts owed to group undertakings                             | -                                            | -                                           | 4,883,940                                    | 3,552,631                                   |
| Other taxation and social security                             | 1,215,224                                    | 1,258,630                                   | -                                            | -                                           |
| Obligations under finance lease and hire<br>purchase contracts | 39,129                                       | 115,821                                     | -                                            | -                                           |
| Other creditors                                                | 827,925                                      | 734,645                                     | -                                            | -                                           |
| Accruals and deferred income                                   | 2,174,375                                    | 1,545,868                                   | 302,908                                      | 282,901                                     |
|                                                                | <u>10,642,615</u>                            | <u>6,704,676</u>                            | <u>5,811,796</u>                             | <u>4,375,532</u>                            |

**22. Creditors: Amounts falling due after more than one year**

|                                                                 | Group                                        | Group                                       | Company                                      | Company                                     |
|-----------------------------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------|---------------------------------------------|
|                                                                 | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
| Bank loans                                                      | 1,260,000                                    | 1,870,000                                   | 1,260,000                                    | 1,870,000                                   |
| Other loans                                                     | -                                            | 75,942                                      | -                                            | -                                           |
| Obligations under finance leases and hire<br>purchase contracts | 67,893                                       | 1,325                                       | -                                            | -                                           |
|                                                                 | <u>1,327,893</u>                             | <u>1,947,267</u>                            | <u>1,260,000</u>                             | <u>1,870,000</u>                            |

Obligations under finance lease and hire purchase contracts are secured by the assets to which the relate.

Other creditors at 1st January 2023 pertain to debt owed to Sir Francis Mackay amounting to £Nil (2022: £75,942)

**GRAYSONS HOSPITALITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

**23. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

|                   | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|-------------------|----------------------------------------------|---------------------------------------------|
| Within one year   | 73,376                                       | 115,821                                     |
| Between 1-5 years | 33,646                                       | 1,325                                       |
|                   | <u>107,022</u>                               | <u>117,146</u>                              |

**24. Loans**

|                                               | Group<br>12 Months<br>Ended<br>1 January<br>2023<br>£ | Group<br>6 Months<br>Ended<br>2 January<br>2022<br>£ | Company<br>12 Months<br>Ended<br>1 January<br>2023<br>£ | Company<br>6 Months<br>Ended<br>2 January<br>2022<br>£ |
|-----------------------------------------------|-------------------------------------------------------|------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------|
| <b>Amounts falling due within one year</b>    |                                                       |                                                      |                                                         |                                                        |
| Bank loans                                    | 540,000                                               | 540,000                                              | 540,000                                                 | 540,000                                                |
| <b>Amounts falling due within 1 - 5 years</b> |                                                       |                                                      |                                                         |                                                        |
| Bank loans                                    | 1,260,000                                             | 1,870,000                                            | 1,260,000                                               | 1,870,000                                              |
|                                               | <u>1,800,000</u>                                      | <u>2,410,000</u>                                     | <u>1,800,000</u>                                        | <u>2,410,000</u>                                       |

These are loans obtained under the Coronavirus Business Interruption Loan Scheme. The loans carry an interest rate of 3% per annum over base rate and are repayable over 41 months (6 months ended 2 January 2022: 53 months). The loans are secured via a fixed and floating charge over the assets of the group.

**GRAYSONS HOSPITALITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

**25. Financial instruments**

|                                                                     | Group                                        | Group                                       | Company                                      | Company                                     |
|---------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------|---------------------------------------------|
|                                                                     | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
| <b>Financial assets</b>                                             |                                              |                                             |                                              |                                             |
| Financial assets measured at fair value through profit or loss      | 839,694                                      | 929,122                                     | -                                            | 60,932                                      |
| Financial assets that are debt instruments through amortised cost   | 5,972,486                                    | 2,630,377                                   | 1,281,938                                    | 1,222,242                                   |
|                                                                     | <u>6,812,180</u>                             | <u>3,559,499</u>                            | <u>1,281,938</u>                             | <u>1,283,174</u>                            |
| <b>Financial liabilities</b>                                        |                                              |                                             |                                              |                                             |
| Financial liabilities measured at fair value through profit or loss | 1,051,774                                    | 163,552                                     | 84,948                                       | -                                           |
| Financial liabilities measured at amortised cost                    | 9,507,015                                    | 6,992,321                                   | -                                            | 4,375,532                                   |
|                                                                     | <u>10,558,789</u>                            | <u>7,155,873</u>                            | <u>84,948</u>                                | <u>4,375,532</u>                            |

Financial assets and liabilities measured at fair value through profit or loss comprise of cash at bank and bank overdrafts.

Financial assets measured at amortised cost comprise of trade debtors, accrued income, other debtors and amounts owed by group undertaking where relevant.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, other creditors, and amounts owed to group undertakings where relevant.

**26. Analysis of net debt**

|                          | At 3 January<br>2022<br>£ | Cash flows<br>£  | Reclassifi-<br>cation<br>£ | At 1 January<br>2023<br>£ |
|--------------------------|---------------------------|------------------|----------------------------|---------------------------|
| Cash at bank and in hand | 929,122                   | (89,428)         | -                          | 839,694                   |
| Bank overdrafts          | (163,552)                 | (888,222)        | -                          | (1,051,774)               |
| Debt due after 1 year    | (1,945,942)               | 145,942          | 540,000                    | (1,260,000)               |
| Debt due within 1 year   | (540,000)                 | 540,000          | (540,000)                  | (540,000)                 |
| Finance leases           | (117,146)                 | 10,124           | -                          | (107,022)                 |
|                          | <u>(1,837,518)</u>        | <u>(281,584)</u> | <u>-</u>                   | <u>(2,119,102)</u>        |

**GRAYSONS HOSPITALITY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 1 JANUARY 2023**

**27. Deferred taxation**

**Group**

|                           | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|---------------------------|----------------------------------------------|---------------------------------------------|
| At beginning of year      | 712,401                                      | 351,609                                     |
| Charged to profit or loss | 248,282                                      | 360,792                                     |
| <b>At end of year</b>     | <b>960,683</b>                               | <b>712,401</b>                              |

The deferred tax asset is made up as follows:

|                            | Group<br>12 Months<br>Ended<br>1 January<br>2023<br>£ | Group<br>6 Months<br>Ended<br>2 January<br>2022<br>£ |
|----------------------------|-------------------------------------------------------|------------------------------------------------------|
| Tax losses carried forward | 871,679                                               | 688,700                                              |
| Other timing differences   | 89,004                                                | 23,701                                               |
|                            | <b>960,683</b>                                        | <b>712,401</b>                                       |

The Group's gross value of tax losses and other deductions carried forward for the 12 months ended 1 January 2023 were £7,995,000 (6 months ended 2 January 2022: £7,730,000).

**28. Share capital**

|                                                                                         | 12 Months<br>Ended<br>1 January<br>2023<br>£ | As restated<br>6 Months<br>Ended<br>2 January<br>2022<br>£ |
|-----------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------------|
| <b>Allotted, called up and fully paid</b>                                               |                                              |                                                            |
| 13,300,000 (6 months ended 2 January 2022 - 13,300,000) Ordinary shares of £0.1000 each | 1,330,000                                    | 1,330,000                                                  |
| 2,359,284 (6 months ended 2 January 2022 - 2,359,284) A Ordinary shares of £0.0001 each | 236                                          | 236                                                        |
|                                                                                         | <b>1,330,236</b>                             | <b>1,330,236</b>                                           |

## GRAYSONS HOSPITALITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

#### 28. Share capital (continued)

Ordinary shares carry equal voting and dividend rights.

A Ordinary shares carry no rights to vote and do not rank for dividends. It has limited rights to return of capital and specific rights on sale dependent upon the sale price.

Share capital has been restated for both periods to reflect a written resolution dated 27th June 2018, reducing the Ordinary share capital of the parent company by £1,980,000. This has resulted in the parent company's Ordinary share capital reducing from £3,310,000 to £1,330,000 with a corresponding increase in reserves.

#### 29. Reserves

##### Share premium account

This reserve records the amount above nominal value received for shares issued, less transaction costs.

##### Profit and loss account

This reserve comprises all current and prior years retained profits and losses, including the capital reduction adjustment as referred to within Note 28.

#### 30. Contingent liabilities

As part of the Group's banking arrangements, the Company has entered into a multi-lateral agreement with other members of the Group. The potential Group liability of the Company as at 1 January 2023 in respect of this guarantee was £700,910 (6 Months ended 2 January 2022: £Nil).

#### 31. Pension commitments

The Group operates a defined contributions 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 £288,927 (6 Months ended 2 January 2022: £91,000). Contributions totalling £56,451 (6 Months ended 2 January 2022: £124,988) were payable to the fund at the statement of financial position date and are included in creditors.

## GRAYSONS HOSPITALITY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 1 JANUARY 2023

#### 32. Commitments under operating leases

At 1 January 2023, the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|                                              | 12 Months<br>Ended<br>1 January<br>2023<br>£ | 6 Months<br>Ended<br>2 January<br>2022<br>£ |
|----------------------------------------------|----------------------------------------------|---------------------------------------------|
| <b>Group</b>                                 |                                              |                                             |
| Not later than 1 year                        | 335,747                                      | 300,761                                     |
| Later than 1 year and not later than 5 years | 866,160                                      | 1,192,717                                   |
|                                              | <u>1,201,907</u>                             | <u>1,493,478</u>                            |

#### 33. Related party transactions

The Group has taken advantage of the exemption allowed under FRS 102 from disclosing transactions with other wholly owned members of the Group.

As at 1 January 2023, £60,496 (6 Months ended 2 January 2022: £75,942 owed to) was due from Directors of the company and was included within other debtors. All amounts due from Directors were repaid in full in January 2023.

Key management personnel compensation amounted to £1,119,524 (6 Months ended 2 January 2022: £366,000).

#### 34. Post balance sheet events

After the balance sheet date, 100% of the groups interest in Graysons Inns Limited was disposed of and the entity left the group in January 2023 which included its investment property.

#### 35. Controlling party

From 12th January 2023, the company's immediate parent undertaking was Aramark Limited. Prior to this date there was no immediate parent undertaking.

From 12th January 2023, Aramark inc, a company incorporated in the United States of America was considered to be the ultimate parent company.

The directors considered Sir Francis Mackay to be the controlling party by way of his shareholding in the company, up to and including 11th January 2023. After this date there was no overall controlling party.