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George (Mount Street) Limited

Report and Financial Statements

53 Weeks Ended

1 January 2017

Company Number 03759332

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George (Mount Street) Limited

Company Information

Directors	R A Caring J W S Lawrence L Newell V Homan N R J Cowley
Company secretary	J W S Lawrence
Registered number	03759332
Registered office	26-28 Conway Street London W1T 6BQ
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

George (Mount Street) Limited

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George (Mount Street) Limited

Strategic Report For the 53 Weeks Ended 1 January 2017

The directors present their strategic report together with the audited financial statements for the 53 weeks ended 1 January 2017.

Principal activities, review of business and future developments

The principal activity of the company, which has remained unchanged during the period, is the ownership and operation of a proprietary club "George".

The directors are satisfied with the results for the period and are determined to maintain the level of profitability whilst continuing to invest in the business.

The company has maintained its investment in ensuring members receive continuous high standards of service and ambience.

Financial and non-financial key performance indicators

In line with our operating objectives, we use both financial and non-financial KPI's. Where relevant, KPI's are used as our primary measures of whether we are achieving our objectives, however, the scale and size of our operations means we use many other detailed performance measures in addition to KPI's. We also use KPI's to measure performance against our primary objective of growing our businesses to create value for our shareholders. We use qualitative assessments to judge progress against our objectives in areas where numerical measures are less relevant.

The KPI's used to measure performance include turnover growth year on year, gross profit margin and EBITDA* margin. We benchmark these measures against the appropriate industry competitors and make the necessary controls to ensure that we achieve our target ratios.

	53 weeks ended 1 January 2017 £	52 weeks ended 27 December 2015 £
Turnover (decline)/growth	(0.2)%	0.5%
Gross profit margin	83.2%	82.8%
EBITDA* margin	23.7%	29.0%

The directors are satisfied with the company's performance against the chosen KPI measures and with the overall performance of the business and look toward to a successful 2017.

*EBITDA is earnings before interest, taxation, depreciation and amortisation.

George (Mount Street) Limited

Strategic Report (continued)
For the 53 Weeks Ended 1 January 2017

Principal risks and uncertainties

The principal challenge for the company lies in retaining its strong membership base, and encouraging use of the Club's facilities by its members. This is achieved through ensuring the high standards expected by our members and their guests are maintained, as well as investing to ensure the club maintains its high standard of appearance. The London restaurant and club market is competitive at all levels and the directors try to ensure that the Club meets members' expectations.

Liquidity risk

With the exception of amounts due to group undertakings, the company has net cash balances at the balance sheet date.

Financial assets

With the exception of loans to related companies, the company has no financial assets other than short-term debtors and cash at bank.

Borrowing facilities

The company has no undrawn committed borrowing facilities.

Employment of disabled persons

The company is committed to a policy of recruitment, promotion and training on the basis of aptitude and ability without discrimination of any kind. The management facilitates both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and re-training of employees who become disabled whilst employed within the company. Attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the company.

Employee involvement

Members of staff are able to communicate with the management team on a regular basis to discuss matters of current interest and concern to the business.

This report was approved by the board on

and signed on its behalf.



J W S Lawrence
Director

26/7/17

George (Mount Street) Limited

Directors' Report For the 53 Weeks Ended 1 January 2017

The directors present their report and the audited financial statements for the 53 weeks ended 1 January 2017.

Results and dividends

The profit for the period, after taxation, amounted to £653,276 (27 December 2015 - £843,841).

The directors do not recommend the payment of a dividend.

Business review

A review of the business and its principal risks and uncertainties is set out in the strategic report on pages 1 to 2 of these financial statements.

Directors

The directors who served during the period were:

R A Caring
J W S Lawrence
L Newell
V Homan
N R J Cowley (appointed 31 May 2016)
I J A MacEachern (resigned 31 May 2016)

Financial instruments

The company's financial instruments at the balance sheet date comprised cash and liquid resources.

The main purpose of these financial instruments is to finance the company's operations. The company has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

Disclosure of information to auditor

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


- so far as the director is aware, there is no relevant audit information of which the company's auditor is 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's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

and signed on its behalf.


J W S Lawrence
Director

26/7/17

George (Mount Street) Limited

Directors' Responsibilities Statement For the 53 Weeks Ended 1 January 2017

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

George (Mount Street) Limited

Independent Auditor's Report to the Members of George (Mount Street) Limited

We have audited the financial statements of George (Mount Street) Limited for the 53 weeks ended 1 January 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 January 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

George (Mount Street) Limited

Independent Auditor's Report to the Members of George (Mount Street) Limited

Matters on which we are required to report by exception

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

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



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

27/07/2017

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

George (Mount Street) Limited

Statement of Comprehensive Income For the 53 weeks Ended 1 January 2017

	Note	53 weeks ended 1 January 2017 £	52 weeks ended 27 December 2015 £
Turnover	4	4,674,471	4,685,878
Cost of sales		(785,148)	(806,799)
Gross profit		3,889,323	3,879,079
Administrative expenses		(3,030,797)	(2,763,883)
Adjusted EBITDA*		1,106,299	1,360,462
Depreciation		(246,964)	(234,717)
Amortisation		(809)	(55)
Exceptional items	5	-	(10,494)
Operating profit	6	858,526	1,115,196
Taxation on profit	9	(205,250)	(271,355)
Profit after taxation and total comprehensive income for the period		653,276	843,841

There was no other comprehensive income for the 53 weeks ended 1 January 2017 (27 December 2015 - £Nil).

The notes on pages 10 to 25 form part of these financial statements.


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

George (Mount Street) Limited
Registered number: 03759332

Statement of Financial Position
As at 1 January 2017

	Note	1 January 2017 £	1 January 2017 £	27 December 2015 £	27 December 2015 £
Fixed assets					
Intangible assets	10		2,230		41
Tangible assets	11		418,490		533,151
			<u>420,720</u>		<u>533,192</u>
Current assets					
Stocks	12	137,089		115,293	
Debtors: amounts falling due within one year	13	11,350,498		10,599,697	
Cash at bank and in hand		283,310		402,579	
		<u>11,770,897</u>		<u>11,117,569</u>	
Creditors: amounts falling due within one year	14	(2,345,054)		(2,451,689)	
Net current assets			<u>9,425,843</u>		<u>8,665,880</u>
Total assets less current liabilities			<u>9,846,563</u>		<u>9,199,072</u>
Creditors: amounts falling due after more than one year	15		(220,774)		(226,559)
Net assets			<u><u>9,625,789</u></u>		<u><u>8,972,513</u></u>
Capital and reserves					
Called up share capital	17		3,499,883		3,499,883
Share premium account	18		884,904		884,904
Profit and loss account	18		5,241,002		4,587,726
Total equity			<u><u>9,625,789</u></u>		<u><u>8,972,513</u></u>

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


J W S Lawrence
Director

26/7/17
The notes on pages 10 to 25 form part of these financial statements.

George (Mount Street) Limited

Statement of Changes in Equity For the 53 Weeks Ended 1 January 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 28 December 2015	3,499,883	884,904	4,587,726	8,972,513
Comprehensive income for the period				
Profit for the period	-	-	653,276	653,276
Total comprehensive income for the period	-	-	653,276	653,276
At 1 January 2017	3,499,883	884,904	5,241,002	9,625,789

Statement of Changes in Equity For the 52 Weeks Ended 27 December 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 29 December 2014	3,499,883	884,904	3,743,885	8,128,672
Comprehensive income for the period				
Profit for the period	-	-	843,841	843,841
Total comprehensive income for the period	-	-	843,841	843,841
At 27 December 2015	3,499,883	884,904	4,587,726	8,972,513

The notes on pages 10 to 25 form part of these financial statements.

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

1. General information

George (Mount Street) Limited is a company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office can be found on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements for the period ended 1 January 2017 are the company's first financial statements prepared under FRS 102. The date of transition was 29 December 2014.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of MBH Group (UK) Limited as at 1 January 2017 and these financial statements may be obtained from the registered office.

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

2. Accounting policies (continued)

2.3 Going concern

As disclosed in note 19 the company is a guarantor to a bank loan facility taken out by group and related undertakings (the "borrowing group"). The borrowing group's term loan is due for final repayment by 19 December 2018.

In assessing the going concern basis of preparation of the financial statements for the period ended 1 January 2017, the directors have taken into consideration detailed cash flow forecasts for the borrowing group, the availability of funding from the bank and shareholders, and the borrowing group's forecast compliance with the bank covenants.

Based on the loan agreement, undertakings received from shareholders and an established and cash generative business model, the directors are of the view that the company and the borrowing group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements for the period ended 1 January 2017.

2.4 Turnover

Turnover represents subscriptions earned and sales to members, net of value added tax.

Subscriptions received are credited to the statement of comprehensive income on an accruals basis. The proportion of subscriptions treated as unearned is carried forward at the balance sheet date and credited to the statement of comprehensive income in the following year. Life memberships are credited to the profit and loss account over a ten year period. Subscriptions are not repayable under any circumstances.

Revenue is measured at the fair value of the consideration received or receivable net of value added tax, any discounts and customer returns.

Turnover from sale of food and drink is recognised on the day the sale occurs.

2.5 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 five years.

The trademarks are amortised over their estimated useful lives which is 5 years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold property	- over the term of the lease
Plant and equipment	- between three and five years
Furniture, fixtures and fittings	- between five and ten 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 the statement of comprehensive income.

Works of art are not depreciated.

2.7 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.

2.8 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.

2.9 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.

2.10 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other 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 financing

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

2. Accounting policies (continued)

2.10 Financial instruments (continued)

transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow 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 statement of comprehensive income.

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, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 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.

2.12 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the 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 company 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 (29 December 2014) to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company 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 company in independently administered funds.

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

2. Accounting policies (continued)

2.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.15 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company either as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

All turnover arose within the United Kingdom.

5. Exceptional items

	53 weeks ended 1 January 2017 £	52 weeks ended 27 December 2015 £
Loss on disposal of fixed assets	-	10,494

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

6. Operating profit

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

	53 weeks ended 1 January 2017 £	52 weeks ended 27 December 2015 £
Depreciation of tangible fixed assets	246,964	234,717
Amortisation of other intangible fixed assets	809	55
Hire of plant and machinery - operating leases	5,785	3,058
Hire of other assets - operating leases	306,920	214,121
Fees payable to the company's auditor for the audit of the company's annual financial statements	7,841	7,000
Exchange differences	-	(22)
	<u> </u>	<u> </u>

7. Employees

Staff costs were as follows:

	53 weeks ended 1 January 2017 £	52 weeks ended 27 December 2015 £
Wages and salaries	1,273,167	1,164,486
Social security costs	91,163	98,807
Pension costs	12,060	10,994
	<u>1,376,390</u>	<u>1,274,287</u>

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

	53 weeks ended 1 January 2017 No.	52 weeks ended 27 December 2015 No.
Catering and administration	59	56
Directors	5	5
	<u>64</u>	<u>61</u>

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

8. Directors' remuneration

No director received any emoluments during the current period (27 December 2015 - £Nil).

9. Taxation

	53 weeks ended 1 January 2017 £	52 weeks ended 27 December 2015 £
Corporation tax		
Current tax on profits for the year	209,671	147,727
Adjustments in respect of previous periods	2,161	-
Group taxation relief	-	113,585
Total current tax	211,832	261,312
Deferred tax		
Origination and reversal of timing differences	(7,373)	8,925
Adjustment in respect of previous periods	(33)	1,118
Effect of tax rate change on opening balance	824	-
Total deferred tax	(6,582)	10,043
Taxation on profit on ordinary activities	205,250	271,355

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

9. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (27 December 2015 - higher than) the standard rate of corporation tax in the UK of 20% (27 December 2015 - 20.25%). The differences are explained below:

	53 weeks ended 1 January 2017 £	52 weeks ended 27 December 2015 £
Profit on ordinary activities before tax	858,526	1,115,196
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (27 December 2015 - 20.25%)	171,705	225,769
Effects of:		
Expenses not deductible for tax purposes	200	212
Fixed asset differences	29,092	42,164
Short term timing differences	-	(280)
Group relief claimed	-	(113,565)
Payment for group relief	-	113,585
Adjustments in respect of prior periods (current)	2,161	-
Adjustments in respect of prior periods (deferred tax)	(33)	1,118
Adjustments in respect of tax rate changes (deferred tax)	2,125	2,352
Total tax charge for the period	205,250	271,355

Factors that may affect future tax charges

The closing deferred tax asset has been calculated at 17% in accordance with the rates enacted at the balance sheet date.

The UK Government proposed, amongst other things, to reduce the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020.

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

10. Intangible assets

	Trademarks £
Cost	
At 28 December 2015	4,011
Additions	2,998
At 1 January 2017	<u>7,009</u>
Amortisation	
At 28 December 2015	3,970
Charge for the year	809
At 1 January 2017	<u>4,779</u>
Net book value	
At 1 January 2017	<u><u>2,230</u></u>
At 27 December 2015	<u><u>41</u></u>

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

11. Tangible fixed assets

	Leasehold property £	Plant and machinery £	Furniture, fixtures and fittings £	Total £
Cost				
At 28 December 2015	3,433,207	725,295	767,321	4,925,823
Additions	39,027	73,193	20,083	132,303
At 1 January 2017	<u>3,472,234</u>	<u>798,488</u>	<u>787,404</u>	<u>5,058,126</u>
Depreciation				
At 28 December 2015	2,977,143	668,216	747,313	4,392,672
Charge for the period on owned assets	207,485	29,648	9,831	246,964
At 1 January 2017	<u>3,184,628</u>	<u>697,864</u>	<u>757,144</u>	<u>4,639,636</u>
Net book value				
At 1 January 2017	<u>287,606</u>	<u>100,624</u>	<u>30,260</u>	<u>418,490</u>
At 27 December 2015	<u>456,064</u>	<u>57,079</u>	<u>20,008</u>	<u>533,151</u>

12. Stocks

	1 January 2017 £	27 December 2015 £
Raw material and consumables	<u>137,089</u>	<u>115,293</u>

Stock recognised in cost of sales as an expense during the period was £762,197 (27 December 2015 - £784,239).

An impairment loss of £Nil (27 December 2015 - £Nil) was recognised in cost of sales against stock during the period due to slow-moving and obsolete stock.

There is no material difference between the replacement cost of stocks and the amounts stated above.

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

13. Debtors

	1 January 2017 £	27 December 2015 £
Trade debtors	44,910	75,776
Amounts owed by group undertakings	10,039,435	9,397,406
Amount owed by related parties	1,180,646	975,064
Other debtors	55	5,273
Prepayments and accrued income	64,079	131,387
Deferred taxation (note 16)	21,373	14,791
	<u>11,350,498</u>	<u>10,599,697</u>

The impairment loss recognised in the statement of comprehensive income for the period in respect of bad and doubtful trade debtors was £6,712 (27 December 2015 - £6,648).

Balances included in amounts owed by group undertakings and accruals and deferred income have been reclassified in the comparative period to better reflect the underlying membership transaction. Amounts owed by group undertakings include amounts of £163,174 (27 December 2015 - £143,325) due after more than one year.

14. Creditors: Amounts falling due within one year

	1 January 2017 £	27 December 2015 £
Trade creditors	150,082	245,616
Amounts owed to group undertakings	830,275	875,204
Amounts owed to related parties	58,212	58,212
Corporation tax	179,586	147,727
Other taxation and social security	250,282	260,810
Other creditors	38,001	60,658
Accruals and deferred income	838,616	803,462
	<u>2,345,054</u>	<u>2,451,689</u>

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

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

	1 January 2017 £	27 December 2015 £
Accruals and deferred income	220,774	226,559

Deferred income include amounts of £74,204 (27 December 2015 - £67,034) due more than five years from the statement of financial position date.

16. Deferred taxation

	1 January 2017 £
At beginning of period	14,791
Charged to profit or loss	6,582
At end of period	21,373

The deferred tax asset is made up as follows:

	1 January 2017 £	27 December 2015 £
Capital allowance differences	20,830	14,525
Short term timing differences	543	266
	21,373	14,791

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

17. Share capital

	1 January 2017 £	27 December 2015 £
Allotted, called up and fully paid		
51,000 A ordinary shares of £1 each	51,000	51,000
26,500 B ordinary shares of £1 each	26,500	26,500
3,422,383 C ordinary shares of £1 each	3,422,383	3,422,383
	<u>3,499,883</u>	<u>3,499,883</u>

All ordinary shares rank pari passu in all respects.

18. Reserves

The company's reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

19. Contingent liabilities

The company is a guarantor to a bank loan facility taken out by group and related undertakings by virtue of common control. At 1 January 2017, the total amount outstanding under group loan facilities was £90.5m (27 December 2015 - £100.5m). This facility is due for final repayment on 19 December 2018.

20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amount to £12,060 (27 December 2015 - £10,994). As at 1 January 2017 outstanding contributions totalled £3,191 (27 December 2015 - £1,481).

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

21. Commitments under operating leases

At 1 January 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	1 January 2017 £	27 December 2015 £
Not later than 1 year	136,523	190,655
Later than 1 year and not later than 5 years	-	92,431
	136,523	283,086

22. Related party transactions

The company was a 99.5% subsidiary of Makino Limited, the ultimate holding company, for the entire period under review.

On 1 January 2017 amounts due (to)/from group undertakings included the following amounts in relation to loans and current accounts with fellow subsidiaries of Makino Limited:

	Current account debtor/ (creditor) 1 January 2017 £	Current account debtor/ (creditor) 27 December 2015 £
Annabel's (Berkeley Square) Limited	3,380,395	3,484,910
The Bath and Racquets Club Limited	144,862	84,689
Harry's Bar Limited	(48,307)	(139,358)
Mark's Club (Charles Street) Limited	655,579	575,407
Mark Birley Associates Limited	(781,968)	(735,846)
Mark Birley Holdings Limited	2,504,415	2,420,171
MBH Group (UK) Limited	3,354,183	2,832,229
MBH Putco Limited	(58,212)	(58,212)

George (Mount Street) Limited

Notes to the Financial Statements For the 53 Weeks Ended 1 January 2017

Related party transactions (continued)

The company was charged £318,900 (27 December 2015 - £288,332) by Mark Birley Associates Limited for management services during the period and charged £58,146 (27 December 2015 - £90,757) by Annabel's (Berkeley Square) Limited for the supply of beverages. The other balances above reflect intercompany loan transactions.

At 1 January 2017 the company was owed £1,180,646 (27 December 2015 - £974,991) by Caprice Holdings Limited and £Nil (27 December 2015 - £73) by Urban Productions Limited both companies related by virtue of common control whose results are not included in the consolidated financial statements of MBH Group (UK) Limited. These loan balances are non interest-bearing.

Included in the above balances is £Nil, £Nil and £Nil (27 December 2015 - £3,982, £108,422 and £1,181) payable to Mark Birley Associates Limited, Mark's Club (Charles Street) Limited and Mark Birley Holdings Limited respectively as payment for tax losses surrendered during the year.

Other than noted above, the movements in relation to the above balances relate to funding provided.

23. Ultimate parent company and parent undertaking of larger group

R Caring, who controls 100% of the shares in Makino Limited, a company incorporated in Jersey and the company's ultimate parent company, is the company's ultimate controlling party.

The largest and smallest group in which the results of the company are consolidated is that headed by MBH Group (UK) Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from the registered office. No other group accounts include the results of the company.