
INDIVIDUAL RESTAURANT COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 MARCH 2019

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INDIVIDUAL RESTAURANT COMPANY LIMITED

COMPANY INFORMATION

Directors	V Lord (resigned 28 February 2020) S J Walker T S Dhaliwal M C Walker
Registered number	04026693
Registered office	Ridgefield House 4th Floor 14 John Dalton Street Manchester M2 6JR
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
Bankers	HSBC UK Bank Plc 2nd Floor 4 Hardman Square Spinningfields Manchester M3 3EB
Solicitors	DLA Piper UK LLP 1 St Peter's Square Manchester M2 3DE

INDIVIDUAL RESTAURANT COMPANY LIMITED

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INDIVIDUAL RESTAURANT COMPANY LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 30 MARCH 2019

Business review

The Company is a holding company and does not trade. The Company's immediate parent company is W2D2 Limited. The main trading company of the wider Group is Restaurant Bar & Grill Limited, a leading restaurant operator which trades under the Piccolino and Bar & Grill brands

Principal risks and uncertainties

The Company, being a holding company with the main trading company in the group being Restaurant Bar & Grill Limited, is reliant on the subsidiary undertakings performing well to ensure all future debt payments can be made.

The board of directors continually identify, monitor and manage potential risks and uncertainties to the Company and its subsidiary undertakings. The list below sets out what the Directors consider to be the current principal business risks and uncertainties in relation to the trading subsidiaries. This list is not presumed to be exhaustive, and by its very nature is subject to change.

- Increase in prices of key raw materials e.g. the duty uplift on alcohol and protein price uplifts resulting from the increase in animal food costs and increases in wages (national minimum wage uplift) would impact the level of costs. Wherever possible, long term, fixed rate contracts are entered into with major suppliers to mitigate the risk of price rises.

- Breakdown in internal control due to fraud and error. Financial controls are designed and implemented to minimise the risk of material fraud and error.

The current and on-going impact of Covid-19 represents a significant risk to the business as detailed elsewhere in these financial statements.

Financial key performance indicators

The Company does not trade and is a holding company. This is not expected to change in the future.

The only key performance indicator of the Company is to monitor the investment in the subsidiary undertakings by reference to their financial performance each year.

This report was approved by the board on 6/10/2020

and signed on its behalf.



S J Walker
Director

INDIVIDUAL RESTAURANT COMPANY LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 MARCH 2019

The Directors present their report and the financial statements for the period ended 30 March 2019.

Principal activity

The Company is a holding company and does not trade.

Results and dividends

The profit for the period, after taxation, amounted to £Nil (2018 - £Nil).

The Directors have not recommended the payment of a dividend during the period or the prior year.

Directors

The Directors who served during the period were:

V Lord (resigned 28 February 2020)
S J Walker
T S Dhaliwal
M C Walker

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

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

INDIVIDUAL RESTAURANT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 MARCH 2019

Qualifying third party indemnity provisions

Insurance policies are in place that indemnify the Directors against liability when acting for Individual Restaurant Company Limited.

Going concern

Whilst the going concern considerations are applicable to the company only, as a holding company it is reliant on cash generated by the trading entities to survive. Therefore the going concern is based upon considerations/conditions applicable to the wider Group.

The Group, together with the entire Casual Dining Sector in general, is facing a very difficult trading environment. The difficult trading environment has worsened considerably since the balance sheet date, exacerbated by Covid19 and lockdown and is only being helped by the unprecedented levels of government support through "eat out to help out", furlough and other forms of intervention and time to pay arrangements.

The Directors have reviewed trading and cash flow forecasts as part of their going concern assessment which take into account uncertainties in the current sector operating and macro-economic environment. The Directors are aware that there are multiple material uncertainties that are facing the business, which can be broken down into two main areas as follows:

Uncertainties over future financial support

- **Bank funding** – The Group currently has facilities with HSBC Bank plc and has breached covenants since the year-end but formal waivers have been received. The bank have agreed short-term facilities to allow the Group to open its entire estate post lockdown. The Directors are currently in discussion with the bank, who remain supportive, to agree a longer term funding package with them.
- **Shareholder support** – The 3 major shareholders continue to support the company through loans into the business. The Directors are currently in dialogue with those shareholders alongside the bank discussions to put together a package that secures the long-term viability of the 3 Brands now within the group.
- **HMRC support** – As part of the government funding announced during the Covid19 crisis the group has deferred payments to HMRC and is still in dialogue to agree a payment plan which is achievable based upon the future forecast cash generation of the Group
- **Unsecured Creditor support** – The Directors has obtained or are in the process of obtaining support from its major suppliers and the majority of its landlords to defer or waive payments. Not all of these agreements are complete or are agreed formally in writing at the point of issuing these financial statements.

Uncertainties over future demand

- **Post lockdown trading / Eat out to help out – trading** – As of issuing this report all of the group's restaurants are now open. Trading post lockdown even when stripping out the governments eat out to help out campaign has not only been ahead of prior year performance but also the base case forecasts prepared for the going concern assessment and bank/shareholder funding exercise. The government support during August was well received and gave a welcome boost to performance. Sales in September have again been ahead of prior year and the base case forecasts. However the levels of trading post September 2020 remain unknown. The forecasts used to support the bank and shareholder funding application average out at 80% of previously normal sales. The Directors remain confident of being able to achieve this but there is no external data available to support this assertion.
- **Impact of a second spike and local lockdowns** – As more regional restrictions apply, whilst the board have plans to cope and take necessary actions, they will undoubtedly impact sales and profitability whilst in place. The board will continually monitor this closely and review its strategy.

INDIVIDUAL RESTAURANT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 MARCH 2019

The Directors have an ongoing dialogue with their principal bankers and shareholders and are confident that discussions will result in the business having sufficient facilities similar to existing terms. The Directors are also continuing to discuss strategic options with its 3 major shareholders with regard to their continued support for the Group. The Directors are also continuing to work closely with its other secured and unsecured creditors some of whom have formally and informally agreed to reduce/defer payments until there is sufficient cash flows generated by the group to make those payments.

The Directors have instigated measures to preserve cash, by reducing discretionary costs and restricting capital expenditure to where absolutely necessary.

The Directors have concluded that a combination of these circumstances represent a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern and therefore it may be unable to realise its assets or discharge its liabilities in the normal course of business.

As noted above the Directors have taken action, where possible, to obtain evidence of continuing support of the group's bankers, secured and unsecured creditors (including HMRC, landlords and principal suppliers) and shareholders taking into account the recent forecasts and the expected assets of the group in the long term. However in the circumstances and given time constraints the Directors have been unable to obtain sufficient and appropriate evidence to fully support the overall conclusion given the nature of the risks identified above. Nevertheless after making enquiries, and considering the matters described above, the Directors have a reasonable expectation that the group has adequate resources to continue to operate for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing these financial statements. If the adoption of the going concern basis was inappropriate, adjustments which it is not practicable to quantify, would be required to write down assets to their recoverable value, to reclassify fixed to current assets and to provide for any additional liabilities that may arise.

Post balance sheet events

Refinancing

On 29th August 2019 Individual Restaurants Group Limited completed a refinancing of the existing group banking facilities.

A further refinancing exercise is currently ongoing.

Covid-19

The current global Covid-19 pandemic has hit the hospitality sector hard and all restaurants were closed from 20 March 2020 to 4 July 2020 (with trading impacted from late January 2020). While early signs on post lockdown trading have been positive, as with other entities in the sector, the financial cost of the pandemic has had a significant impact on the business and the Board of Directors are carefully monitoring the situation and following directives issued by government authorities.

The Directors have determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results for the period ended 30 March 2019 have not been adjusted to reflect their impact.

Disclosure of information to auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

INDIVIDUAL RESTAURANT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2019

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 487(2) of the Companies Act 2006.

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



S J Walker
Director

Date: 6/10/2020



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIVIDUAL RESTAURANT COMPANY LIMITED

Disclaimer of opinion

We were engaged to audit the financial statements of Individual Restaurant Company Limited (the 'company') for the year ended 30 March 2019 comprise the income statement, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The current global pandemic due to the Covid19 virus has hit the hospitality sector significantly across the globe. As with other entities in the sector the business was completely closed from early March and has commenced limited openings in line with UK government guidance on 4 July 2020. Whilst early signs have been positive we are unable to obtain sufficient appropriate audit evidence in respect of future revenues, never-mind gauging the impact of a second spike on site openings.

There are multiple uncertainties affecting the Company which are in relation to two areas of the future financial support and the future demand. As at the date of our report management are still in the process of obtaining the necessary funding to secure the future of the Company. This funding includes support from HSBC Bank plc (under the government loan support scheme) along with additional support from the shareholders. Additionally, as part of the recovery plan the Company is reliant on the continued support of its suppliers, landlords and other stakeholders to continue to support the business through deferred payment plans. Whilst some of these are in place we have not been able to obtain sufficient appropriate audit evidence to conclude on this matter given the conversations are still ongoing.

Whilst management are working towards securing additional funding, the fact it is not complete at the date of this report means that we have not been able to obtain sufficient appropriate audit evidence in this regard.

As a result of these multiple uncertainties (as further disclosed in the basis of preparation paragraph within note 2.3 we are unable to determine whether the going concern basis of preparation is appropriate and the adjustments that might be necessary should that basis not be appropriate. If not appropriate those adjustments could impact the elements making up the statement of comprehensive income, balance sheet, statement of changes in equity and statement of cash flows.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIVIDUAL RESTAURANT COMPANY LIMITED (CONTINUED)

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company associated with these particular events.

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matters described in the basis for disclaimer opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the are prepared is consistent with the ; and
- the 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

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit subject to the pervasive limitation described above, we have not identified any material misstatements in the strategic report or directors' report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDIVIDUAL RESTAURANT COMPANY
LIMITED (CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the are responsible for the preparation of the and for being satisfied that they give a true and fair view, and for such internal control as the determine is necessary to enable the preparation of that are free from material misstatement, whether due to fraud or error.

In preparing the , the are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 .

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

A further description of our responsibilities for the audit of the is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our .

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 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.

Grant Thornton UK LLP

Carl Williams FCCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
Date: 6/10/2020

INDIVIDUAL RESTAURANT COMPANY LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 30 MARCH 2019

	Note	Period ended 30 March 2019 £000	Year ended 31 March 2018 £000
Interest receivable and similar income	6	98	40
Interest payable and expenses	7	(98)	(40)
Profit before tax		-	-
Profit after tax		-	-
Retained earnings at the beginning of the period/year		(45,795)	(45,795)
Retained earnings at the end of the period/year		(45,795)	(45,795)

There were no recognised gains and losses for 2019 or 2018 other than those included in the Statement of Retained Earnings.

The notes on pages 11 to 20 form part of these financial statements.

INDIVIDUAL RESTAURANT COMPANY LIMITED
REGISTERED NUMBER:04026693

STATEMENT OF FINANCIAL POSITION
AS AT 30 MARCH 2019

	Note	30 March 2019 £000	31 March 2018 £000
Fixed assets			
Investments	8	6,300	6,300
Current assets			
Debtors: amounts falling due within one year	9	3,024	3,024
Creditors: amounts falling due within one year	10	(1,000)	(1,000)
Net current assets		<u>2,024</u>	<u>2,024</u>
Total assets less current liabilities		<u>8,324</u>	<u>8,324</u>
Net assets		<u><u>8,324</u></u>	<u><u>8,324</u></u>
Capital and reserves			
Called up share capital	12	6,959	6,959
Share premium account	13	25,126	25,126
Other reserves	13	22,034	22,034
Profit and loss account	13	(45,795)	(45,795)
		<u>8,324</u>	<u>8,324</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6/10/2020



S J Walker
Director

The notes on pages 11 to 20 form part of these financial statements.

INDIVIDUAL RESTAURANT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 MARCH 2019

1. General information

Individual Restaurant Company Limited is a company limited by shares & incorporated in England and Wales. Its registered office is Ridgefield House, 4th Floor, 14 John Dalton Street, Manchester, M2 6JR.

The principal activity of the Company is that of a holding company.

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 financial statements are presented in Sterling (£).

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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Individual Restaurant Group Limited as at 30 March 2019 and these financial statements may be obtained from Companies House.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

2. Accounting policies (continued)

2.3 Going concern

Whilst the going concern considerations are applicable to the company only, as a holding company it is reliant on cash generated by the trading entities to survive. Therefore the going concern is based upon considerations/conditions applicable to the wider Group.

The Group, together with the entire Casual Dining Sector in general, is facing a very difficult trading environment. The difficult trading environment has worsened considerably since the balance sheet date, exacerbated by Covid19 and lockdown and is only being helped by the unprecedented levels of government support through "eat out to help out", furlough and other forms of intervention and time to pay arrangements.

The Directors have reviewed trading and cash flow forecasts as part of their going concern assessment which take into account uncertainties in the current sector operating and macro-economic environment. The Directors are aware that there are multiple material uncertainties that are facing the business, which can be broken down into two main areas as follows:

Uncertainties over future financial support

- **Bank funding** – The Group currently has facilities with HSBC Bank plc and has breached covenants since the year-end but formal waivers have been received. The bank have agreed short-term facilities to allow the Group to open its entire estate post lockdown. The Directors are currently in discussion with the bank, who remain supportive, to agree a longer term funding package with them.
- **Shareholder support** – The 3 major shareholders continue to support the group through loans into the business. The Directors are currently in dialogue with those shareholders alongside the bank discussions to put together a package that secures the long-term viability of the 3 Brands now within the group.
- **HMRC support** – As part of the government funding announced during the Covid19 crisis the company has deferred payments to HMRC and is still in dialogue to agree a payment plan which is achievable based upon the future forecast cash generation of the Group.
- **Unsecured Creditor support** – The Directors has obtained or are in the process of obtaining support from its major suppliers and the majority of its landlords to defer or waive payments. Not all of these agreements are complete or are agreed formally in writing at the point of issuing these financial statements.

Uncertainties over future demand

- **Post lockdown trading / Eat out to help out – trading** – As of issuing this report all of the group's restaurants are now open. Trading post lockdown even when stripping out the governments eat out to help out campaign has not only been ahead of prior year performance but also the base case forecasts prepared for the going concern assessment and bank/shareholder funding exercise. The government support during August was well received and gave a welcome boost to performance. Sales in September have again been ahead of prior year and the base case forecasts. However the levels of trading post September 2020 remain unknown. The forecasts used to support the bank and shareholder funding application average out at 80% of previously normal sales. The Directors remain confident of being able to achieve this but there is no external data available to support this assertion.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

2. Accounting policies (continued)

2.3 Going concern (continued)

- **Impact of a second spike and local lockdowns** – As more regional restrictions apply, whilst the board have plans to cope and take necessary actions, they will undoubtedly impact sales and profitability whilst in place. The board will continually monitor this closely and review its strategy.

The Directors have an ongoing dialogue with their principal bankers and shareholders and are confident that discussions will result in the business having sufficient facilities similar to existing terms. The Directors are also continuing to discuss strategic options with its 3 major shareholders with regard to their continued support for the Group. The Directors are also continuing to work closely with its other secured and unsecured creditors some of whom have formally and informally agreed to reduce/defer payments until there is sufficient cash flows generated by the company to make those payments.

The Directors have instigated measures to preserve cash, by reducing discretionary costs and restricting capital expenditure to where absolutely necessary.

The Directors have concluded that a combination of these circumstances represent a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern and therefore it may be unable to realise its assets or discharge its liabilities in the normal course of business.

As noted above the Directors have taken action, where possible, to obtain evidence of continuing support of the group's bankers, secured and unsecured creditors (including HMRC, landlords and principal suppliers) and shareholders taking into account the recent forecasts and the expected assets of the group in the long term. However in the circumstances and given time constraints the Directors have been unable to obtain sufficient and appropriate evidence to fully support the overall conclusion given the nature of the risks identified above. Nevertheless after making enquiries, and considering the matters described above, the Directors have a reasonable expectation that the group have adequate resources to continue to operate for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing these financial statements. If the adoption of the going concern basis was inappropriate, adjustments which it is not practicable to quantify, would be required to write down assets to their recoverable value, to reclassify fixed to current assets and to provide for any additional liabilities that may arise.

2.4 Basis of consolidation

The Company is a parent undertaking of a medium sized group. Individual Restaurant Company Limited is also a subsidiary of a group headed by Individual Restaurants Group Limited which prepares consolidated accounts that include the results of Individual Restaurant Company Limited and its subsidiary undertakings. As a result, the Company has claimed the exemption available in the Companies Act 2006 not to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

2. Accounting policies (continued)

2.6 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.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.10 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

2. Accounting policies (continued)

2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like other debtors and creditors, loans from other third parties and 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 financing 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 the 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.

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 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.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- The carrying value of investments and the provision for impairment.

4. Auditor's remuneration

The fees payable to the Company's auditor have been met by a fellow group undertaking.

5. Employees

The Company has no employees other than the Directors. The Directors did not receive any remuneration during the period (2018: £Nil).

INDIVIDUAL RESTAURANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

6. Interest receivable

	Period ended 30 March 2019 £000	<i>Year ended 31 March 2018 £000</i>
Interest receivable from group companies	98	40

7. Interest payable and similar expenses

	Period ended 30 March 2019 £000	<i>Year ended 31 March 2018 £000</i>
Other loan interest payable	98	40

8. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2018	32,527
At 30 March 2019	32,527
Impairment	
At 1 April 2018	26,227
At 30 March 2019	26,227
Net book value	
At 30 March 2019	6,300
At 31 March 2018	6,300

INDIVIDUAL RESTAURANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

8. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Restaurant Bar & Grill Limited	Restaurants	Ordinary	100%
Bank Restaurant (Birmingham) Limited	Dormant	Ordinary	100%
Proudcrest Limited	Dormant	Ordinary	100%
Bank Restaurant Company Limited	Investment company	Ordinary	100%

The registered office for each subsidiary is Ridgefield House, 4th Floor, 14 John Dalton Street, Manchester, M2 6JR.

All subsidiary companies have a 30 March accounting year end.

The aggregate of the share capital and reserves as at 30 March 2019 and the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) for the year £000
Restaurant Bar & Grill Limited	(7,195)	(8,519)
Bank Restaurant (Birmingham) Limited	0	0
Proudcrest Limited	0	0
Bank Restaurant Company Limited	0	0

9. Debtors

	30 March 2019 £000	31 March 2018 £000
Amounts owed by group undertakings	3,024	3,024

INDIVIDUAL RESTAURANT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

10. Creditors: Amounts falling due within one year

	30 March 2019 £000	<i>31 March 2018 £000</i>
Other loans	1,000	<i>1,000</i>

Included within creditors is an unsecured loan of £1,000,000 between M Walker and T Dhaliwal as trustees of the MC Walker 2008 Settlement and the Company. The loan accrued interest at 8.5% and a charge of £98,438 (2018: £39,890) has been charged to the Statement of Comprehensive Income.

11. Financial instruments

	30 March 2019 £000	<i>31 March 2018 £000</i>
Financial assets		
Financial assets that are debt instruments measured at amortised cost	3,024	<i>3,024</i>
Financial liabilities		
Financial liabilities measured at amortised cost	(1,000)	<i>(1,000)</i>

Financial assets that are debt instruments measured at amortised cost comprise amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise other loans.

12. Share capital

	30 March 2019 £000	<i>31 March 2018 £000</i>
Allotted, called up and fully paid		
139,180,000 Ordinary shares of £0.05 each	6,959	<i>6,959</i>

INDIVIDUAL RESTAURANT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 MARCH 2019

13. Reserves

Share premium account

Includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Other reserves

Includes the merger reserve and any movements on this during the period.

Profit & loss account

Includes all current and prior period retained profits and losses.

14. Contingent liabilities

The Company, together with its subsidiaries, is party to an unlimited intercompany composite guarantee dated 29 August 2019 to HSBC UK Bank plc as security for a Group loan facility between the Company and its fellow subsidiary undertakings. As at the Balance Sheet date, the indebtedness under the guarantee was £24,000,000 (2018: £24,000,000), this is excluding cash assets and accrued finance fees.

15. Capital commitments

The Company had no capital commitments at 30 March 2019 or 31 March 2018.

16. Related party transactions

The Company has taken advantage of the exemptions provided by FRS102 (Section 33) from disclosing transactions with the other group companies as it is a 100% owned subsidiary of Individual Restaurant Group Limited. The financial statements of Individual Restaurant Group Limited are available from Companies House.

Included within creditors is an unsecured loan of £1,000,000 between M Walker and T Dhaliwal as trustees of the MC Walker 2008 Settlement and the Company. The loan accrued interest at 8.5% and a charge of £98,438 (2018: £39,890) has been charged to the Statement of Comprehensive Income.

No key management received any remuneration from the Company during the period or the prior year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

17. Post balance sheet events

Refinancing

On 29th August 2019 Individual Restaurants Group Limited completed a refinancing of the existing group banking facilities.

A further refinancing exercise is currently ongoing.

Covid-19

The current global Covid-19 pandemic has hit the hospitality sector hard and all restaurants were closed from 20 March 2020 to 4 July 2020 (with trading impacted from late January 2020). While early signs on post lockdown trading have been positive, as with other entities in the sector, the financial cost of the pandemic has had a significant impact on the business and the Board of Directors are carefully monitoring the situation and following directives issued by government authorities.

The Directors have determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results for the period ended 30 March 2019 have not been adjusted to reflect their impact.

18. Controlling party

The immediate parent undertaking is W2D2 Limited, who owns 86% of Individual Restaurant Company Limited and the ultimate parent undertaking is Individual Restaurant Group Limited. Both are registered in England and Wales. The results of the Company are consolidated into the financial statements of that Company, its ultimate parent undertaking.