

Registered number: 04654181

GRAYSONS RESTAURANTS LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 1 JANUARY 2023



GRAYSONS RESTAURANTS LIMITED

COMPANY INFORMATION

Directors	Sir F H Mackay T P O'Neill B H C Watson H L Milligan-Smith (appointed 12 January 2023) C Johnson (appointed 12 January 2023)
Company secretary	S Miah
Registered number	04654181
Registered office	Ascent 4, Farnborough Aerospace Centre Farnborough GU14 6XN
Accountants	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	The Royal Bank of Scotland 27 Park Row Leeds LS 5GB

GRAYSONS RESTAURANTS LIMITED

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GRAYSONS RESTAURANTS LIMITED

STRATEGIC REPORT FOR THE 12 MONTHS ENDED 1 JANUARY 2023

Business review

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 business 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.

Principal risks and uncertainties

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

Whilst it is sometimes the case that certain contracts in the business will be due for renewal during the year we manage this process carefully. Client contract relationships are strong and historical trends show that the company continues to be successful in renewing these key 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 in the company is important to maintain these relationships and to provide continuity and consistency and the company continues to demonstrate its ability to retain these key individuals with a senior management structure that is largely unchanged since June 2013.

GRAYSONS RESTAURANTS LIMITED

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

Financial key performance indicators

The directors consider the key performance indicators of the company to be Turnover and Operating profit. Turnover for the 12 month period was £24,866,208 (2022: £9,212,177, 6 months) and the Operating loss was £1,075,342 (2022 £61,005 profit, 6 months).

Whilst the company shows an Operating loss for the 12 month period, this is after parent company Management Fees of £1,114,940 and Depreciation and Amortisation of totalling £354,392.

Given some continued impact from Covid-19 in the early part of the trading period, the underlying performance before charging Management Fees and the continuing new contract additions, the Directors are satisfied with the performance of the Company overall.

Financial risk management

The company's principal financial instruments comprise bank overdrafts and cash. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company'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 company 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 company trades with only recognised, creditworthy third parties. It is the company 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 company's exposure to bad debts is not significant.

GRAYSONS RESTAURANTS LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE 12 MONTHS ENDED 1 JANUARY 2023

Going Concern

The financial statements show the company with net current liabilities and net liabilities. The financial statements have been prepared on a going concern basis, which assumes that the company 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.

As part of the Graysons Hospitality Limited group of companies the parent undertaking, Graysons Hospitality Limited, has pledged, in the ordinary course of business, to continue to offer financial support for the foreseeable future and confirmed this in writing in a letter of support.

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.

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 RESTAURANTS 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 6 months in order to align the company's trading period with its parent company. Amounts reflected in the financial statements therefore may not be entirely comparable.

Directors

The directors who served during the 12 Months were:

Sir F H Mackay
T P O'Neill
B H C Watson
C Johnson (appointed 12 January 2023)
H L Milligan-Smith (appointed 12 January 2023)

Results and dividends

The loss for the 12 months, after taxation, amounted to £642,931 (6 months ended 2 January 2022 - profit £ 292,448).

The Directors did not recommend the payment of any dividends in the 12 months ended 1 January 2023 (6 months ended 2 January 2022: £Nil)

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company'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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 (22 Sep 2023),
Director

GRAYSONS RESTAURANTS LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF GRAYSONS RESTAURANTS LIMITED FOR THE 12 MONTHS ENDED 1 JANUARY 2023

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Graysons Restaurants Limited for the 12 months ended 1 January 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [icaew.com/regulation](https://www.icaew.com/regulation).

This report is made solely to the Board of Directors of Graysons Restaurants Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Graysons Restaurants Limited and state those matters that we have agreed to state to them in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Graysons Restaurants Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Graysons Restaurants Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the Company's assets, liabilities, financial position and loss. You consider that Graysons Restaurants Limited is exempt from the statutory audit requirement for the 12 Months.

We have not been instructed to carry out an audit or review of the financial statements of Graysons Restaurants Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Price Bailey LLP

Chartered Accountants

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date: 22 September 2023

GRAYSONS RESTAURANTS LIMITED

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

	Note	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Turnover	4	24,866,208	9,212,177
Cost of sales		(8,394,235)	(2,629,528)
Gross profit		<u>16,471,973</u>	<u>6,582,649</u>
Administrative expenses		(17,547,315)	(6,697,244)
Other Operating Income	5	-	175,600
Operating (loss)/profit	6	<u>(1,075,342)</u>	<u>61,005</u>
Tax on (loss)/profit	8	432,411	231,443
(Loss)/profit for the financial 12 Months		<u><u>(642,931)</u></u>	<u><u>292,448</u></u>

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 statement of comprehensive income.

There was no other comprehensive income for 12 months ended 1 January 2023 (6 months ended 2 January 2022: £NIL).

The notes on pages 10 to 26 form part of these financial statements.

GRAYSONS RESTAURANTS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 1 JANUARY 2023

	Note	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Fixed assets			
Intangible Assets	9	127,004	181,577
Tangible Fixed Assets	10	712,745	642,957
		<u>839,749</u>	<u>824,534</u>
Current assets			
Stocks		366,338	346,007
Debtors Within One Year	12	10,294,236	5,816,316
Cash At Bank And In Hand	13	261,234	304,667
		<u>10,921,808</u>	<u>6,466,990</u>
Creditors: Amounts Falling Due Within One Year	14	(13,978,444)	(8,823,785)
Net current liabilities		<u>(3,056,636)</u>	<u>(2,356,795)</u>
Total assets less current liabilities		<u>(2,216,887)</u>	<u>(1,532,261)</u>
Creditors: Amounts Falling Due After More Than One Year	15	(34,247)	(75,942)
Net liabilities		<u><u>(2,251,134)</u></u>	<u><u>(1,608,203)</u></u>
Capital and reserves			
Called up share capital		2	2
Capital Redemption Reserve		6,046,000	6,046,000
Profit And Loss Account		(8,297,136)	(7,654,205)
		<u><u>(2,251,134)</u></u>	<u><u>(1,608,203)</u></u>

GRAYSONS RESTAURANTS LIMITED
REGISTERED NUMBER: 04654181

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 1 JANUARY 2023

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006. The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 22 Sep 2023,
Director

The notes on pages 10 to 26 form part of these financial statements.

GRAYSONS RESTAURANTS LIMITED

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

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 3 January 2022	2	6,046,000	(7,654,205)	(1,608,203)
Comprehensive income for the 12 Months				
Loss for the 12 Months	-	-	(642,931)	(642,931)
At 1 January 2023	<u>2</u>	<u>6,046,000</u>	<u>(8,297,136)</u>	<u>(2,251,134)</u>

The notes on pages 10 to 26 form part of these financial statements.

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

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 28 June 2021	2	6,046,000	(7,946,653)	(1,900,651)
Comprehensive income for the period				
Profit for the period	-	-	292,448	292,448
At 2 January 2022	<u>2</u>	<u>6,046,000</u>	<u>(7,654,205)</u>	<u>(1,608,203)</u>

The notes on pages 10 to 26 form part of these financial statements.

GRAYSONS RESTAURANTS LIMITED

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

1. General information

Graysons Restaurants 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 principal activity was the provision of catering services.

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 prepared using GBP sterling and have been rounded to the nearest pound.

The company's parent undertaking, Graysons Hospitality Limited, has provided a guarantee over the liabilities of the company under section 479C of the Companies Act 2006 such that the company can claim exemption from audit under section 479A.

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 Statements of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Graysons Hospitality Limited as at 1 January 2023 and these financial statements may be obtained from Companies House.

GRAYSONS RESTAURANTS LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

The financial statements show the company with net current liabilities and net liabilities. The financial statements have been prepared on a going concern basis, which assumes that the company 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.

As part of the Graysons Hospitality Limited group of companies the parent undertaking, Graysons Hospitality Limited, has pledged, in the ordinary course of business, to continue to offer financial support for the foreseeable future and confirmed this in writing in a letter of support.

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 RESTAURANTS 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 Company 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company 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 Company 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 Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Operating leases: the Company as lessor

Rentals paid under operating leases are charged to profit or loss 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.

GRAYSONS RESTAURANTS LIMITED

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

2. Accounting policies (continued)

2.7 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 profit or loss 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.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the 12 Months in which they are incurred.

2.9 Current and deferred taxation

The tax expense for the 12 Months 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 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.

GRAYSONS RESTAURANTS LIMITED

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

2. Accounting policies (continued)

2.10 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 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 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.

2.11 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:

Motor vehicles	- over 4 years
Plant, machinery, fixtures and fittings	- over 5 years
Computer equipment	- over 3 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.

2.12 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.

GRAYSONS RESTAURANTS LIMITED

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

2. Accounting policies (continued)

2.13 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 cost to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.14 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.

2.15 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.

2.16 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.

2.17 Financial instruments

The Company 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 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 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, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

GRAYSONS RESTAURANTS LIMITED

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

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

The preparation of the 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.

Goodwill on acquisition of the trade and assets of Graysons Venues Limited has been amortised over ten years. The directors deem this goodwill to be recoverable based on the cash flow of the acquired business.

4. Turnover

All turnover arose within the United Kingdom and related to the principal activity of the business..

5. Other operating income

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Other operating income	-	175,600
	<u>-</u>	<u>175,600</u>

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

6. Operating (loss)/profit

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

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Operating lease expenses	58,077	34,894
Amortisation of intangibles, including goodwill	5,895	20,700
Management charges paid	1,114,940	700,000
Depreciation of tangible fixed assets	348,497	160,818
	<u>1,527,410</u>	<u>916,412</u>

GRAYSONS RESTAURANTS LIMITED

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

7. Employees

Staff costs were as follows:

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

	12 Months Ended 1 January 2023 No.	6 Months Ended 2 January 2022 No.
Admin & Management	67	64
Catering	389	389
	<u>456</u>	<u>453</u>

8. Taxation

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Originating and reversal of timing differences	(456,855)	(150,443)
Effect of tax rate change	24,444	(81,000)
Total deferred tax	<u>(432,411)</u>	<u>(231,443)</u>
Tax on (loss)/profit	<u>(432,411)</u>	<u>(231,443)</u>

GRAYSONS RESTAURANTS LIMITED

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

8. Taxation (continued)

Factors affecting tax charge for the 12 months/period

The tax assessed for the 12 months is higher 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 Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
(Loss)/profit on ordinary activities before tax	(1,075,342)	61,005
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(204,315)	11,591
Effects of:		
Fixed asset differences	19,122	1,989
Remeasurement of deferred tax for changes in tax rates	(46,616)	(313,011)
Movement in deferred tax not recognised	-	67,988
Expenses not deductible for tax purposes	64	-
Movement in deferred tax recognised	(233,350)	-
Group relief	32,684	-
Total tax charge for the 12 Months/period	(432,411)	(231,443)

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 RESTAURANTS LIMITED

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

9. Intangible assets

	Licences £	Goodwill £	Total £
Cost			
At 3 January 2022	491,413	250,405	741,818
At 1 January 2023	491,413	250,405	741,818
Amortisation			
At 3 January 2022	462,241	98,000	560,241
Charge for the 12 Months on owned assets	5,895	25,401	31,296
Impairment charge	23,277	-	23,277
At 1 January 2023	491,413	123,401	614,814
Net book value			
At 1 January 2023	-	127,004	127,004
At 2 January 2022	29,172	152,405	181,577

Amortisation on intangible assets is charged to administrative expenses.

GRAYSONS RESTAURANTS LIMITED

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

10. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 3 January 2022	17,210	3,004,696	248,906	3,270,812
Additions	57,292	349,071	37,652	444,015
Disposals	(23,076)	(3,250)	-	(26,326)
At 1 January 2023	51,426	3,350,517	286,558	3,688,501
Depreciation				
At 3 January 2022	13,488	2,379,532	234,835	2,627,855
Charge for the 12 Months on owned assets	16,453	316,744	15,300	348,497
Disposals	-	(596)	-	(596)
At 1 January 2023	29,941	2,695,680	250,135	2,975,756
Net book value				
At 1 January 2023	21,485	654,837	36,423	712,745
At 2 January 2022	3,722	625,164	14,071	642,957

The net book value of assets held under finance leases as at the 12 months ended 1 January 2023 amounted to £35,945 (6 months ended 2 January 2022: Nil)

11. Stocks

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Raw materials and consumables	366,338	346,007
	366,338	346,007

GRAYSONS RESTAURANTS LIMITED

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

12. Debtors

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Trade debtors	4,204,098	1,447,735
Amounts owed by group undertakings	3,871,989	2,813,290
Other debtors	473,778	320,013
Prepayments and accrued income	823,475	746,793
Deferred taxation	920,896	488,485
	<u>10,294,236</u>	<u>5,816,316</u>

13. Cash and cash equivalents

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Bank and cash balances	261,234	304,666
Bank overdrafts	(962,144)	(163,553)
	<u>(700,910)</u>	<u>141,113</u>

GRAYSONS RESTAURANTS LIMITED

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

14. Creditors: Amounts falling due within one year

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Bank overdrafts	962,144	163,553
Trade creditors	3,793,925	1,899,950
Amounts owed to group undertakings	6,100,664	4,148,128
Other taxation and social security	1,017,171	943,654
Obligations under finance lease and hire purchase contracts	30,567	108,413
Other creditors	818,658	702,433
Accruals and deferred income	1,255,315	857,654
	<u>13,978,444</u>	<u>8,823,785</u>

Bank overdrafts are secured over the assets of the company. Obligations under finance leases and hire purchase arrangements are secured over the assets to which the loan relates.

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

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Other loans	-	75,942
Obligations under finance leases and hire purchase contracts	34,247	-
	<u>34,247</u>	<u>75,942</u>

GRAYSONS RESTAURANTS LIMITED

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

16. Loans

Analysis of the maturity of loans is given below:

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Amounts falling due 1-2 years		
Other loans	-	75,942
	<u>-</u>	<u>75,942</u>

17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Within one year	30,567	108,413
Between 1-5 years	34,247	-
	<u>64,814</u>	<u>108,413</u>

18. Deferred taxation

	12 Months Ended 1 January 2023 £
At beginning of year	488,485
Charged to profit or loss	432,411
At end of year	<u><u>920,896</u></u>

GRAYSONS RESTAURANTS LIMITED

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

18. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Tax losses carried forward	871,679	465,242
Other timing differences	49,217	23,243
	<u>920,896</u>	<u>488,485</u>

The gross value of tax losses and other deductions carried forward was £6.03m (6 months ended 2 January 2022: £5.17m).

19. Share capital

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Allotted, called up and fully paid		
2 (6 months ended 2 January 2022 - 2) Ordinary Shares shares of £1.00 each	2.00	2.00
	<u>2.00</u>	<u>2.00</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

All ordinary shares carry equal voting and dividend rights.

Share capital represents the nominal amount paid for shares.

20. Reserves

Other reserves

Includes a capital contribution from a former group company.

Profit and loss account

Includes all current and prior period retained profits and losses less any dividends paid.

GRAYSONS RESTAURANTS LIMITED

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

21. Contingent liabilities

The company has entered into a multi-lateral guarantee with other members of the group headed by the company's parent undertaking, Graysons Hospitality Limited. The potential group liability as at 1 January 2023 in respect of this guarantee was £700,910 (6 months ended 2 January 2022: £Nil).

22. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents the contributions payable by the company to the fund and amounted to £177,817 (6 months ended 2 January 2022: £83,000). Contributions totalling £47,184 (6 months ended 2 January 2022: £119,129) were payable to the fund at the Statement of Financial Position date and are included in creditors.

23. Commitments under operating leases

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

	12 Months Ended 1 January 2023 £	6 Months Ended 2 January 2022 £
Not later than 1 year	18,710	40,591
2-5 Years	17,260	-
	<u>35,970</u>	<u>40,591</u>

24. Related party transactions

The company is a wholly owned subsidiary of Graysons Hospitality Limited, the group accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 102 from disclosing transactions with members of the Graysons Hospitality Limited Group.

During the period, the company loaned £38,759 to a Director of the company. At the balance sheet date the full amount was outstanding but the loan was repaid in full in January 2023. The loan was provided on an interest free basis.

GRAYSONS RESTAURANTS LIMITED

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

25. Controlling party

The company's immediate parent undertaking is Graysons Hospitality Limited.

The company's ultimate parent undertaking up to and including 11th January 2023 was Graysons Hospitality Limited. From 12th January 2023, Aramark inc, a company incorporated in the United States of America was considered to be the ultimate parent company.

The parent undertaking of the smallest group for which group financial statements are prepared is Graysons Hospitality Limited. Copies of Graysons Hospitality Limited's financial statements are available from Companies House.

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