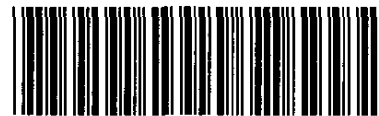


Parent for 4677900

Company Registration No. 04460800 (England and Wales)

JAMIE OLIVER HOLDINGS LIMITED
REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

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JAMIE OLIVER HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J T Oliver L Holland P Hunt P Lovelock M Devereux J Leigh M Tu
Secretary	J Dewar
Company number	04460800
Registered office	Benwell House 15-21 Benwell Road London N7 7BL
Auditors	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB

JAMIE OLIVER HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Jamie Oliver Holdings Group (JOH) comprises a number of businesses that cover all the media interests of Jamie Oliver; primarily TV & digital production and distribution, book publishing, endorsements, and royalty streams derived from the Licensing business operating under the Jamie Oliver brand.

During the first half of the year, JOH also operated as financier for the separate Jamie Oliver Restaurant Group business (JORG). Details of the finance provided are given below. JORG entered into administration in May 2019 and subsequent to this JOH acquired Jamie's Italian International ("JIIL"), which encompassed the international franchise restaurants, from the administrators.

The JOH statement of comprehensive income separately analyses non-trading items in order to help the reader identify and understand the separate performance of the trading operations of JOH, and the impact on JOH of providing financial support to JORG and the subsequent acquisition of JIIL.

The JOH Group primarily measures financial performance in terms of pre-exceptional EBITDA, which for 2019 was £10.5m (2018: £10.5m). The principal drivers of maintaining the profitability were:

- The delivery of successful new Jamie Oliver titles in both Book and TV formats during the year;
- A strong performance from back catalogue TV and Book titles, and across key international territories;
- Stable revenue from endorsement contracts;
- Ongoing revenue flow from our in-house TV production unit and our contracts with Channel 4 in the UK and our international distributor Fremantle.

During the year the group generated cash from operating activities of £5.3m (2018: £9.7m). After the funding and administration of JORG and the acquisition of JIIL discussed below, group cash balances at the year-end were negative £1.7m net of overdrafts (2018: positive £0.1m).

On acquisition of JIIL the outstanding JORG debt transferred to JIIL and on consolidation this has resulted in the recognition of intangible assets. These intangible assets are being amortised in accordance with accounting principles over their expected useful lives.

Loans advanced to JORG in the year totalled £6.7m (2018: £4.8m) as disclosed in note 32. Loans made to directors are disclosed in note 36.

Risks and uncertainties

The Board recognises that the Jamie Oliver brand is a key asset of the Group and is confident that the right controls are in place to protect its value.

The Group's performance depends on the economic conditions and consumer confidence in the UK and overseas. Management strive to deliver innovative products to its partners and customers that provide excellent value and service. The Group aims to minimise the impact of the difficulties of the economic climate by entering into a diverse range of medium- and longer-term contracts both in the UK and internationally, in order to secure stable future revenue streams. Cash management is a top priority of management, coupled with stringent control of expenditure.

We have considered the potential impact of Coronavirus on our business and further details are given in the directors' report and notes to the financial statements.

JAMIE OLIVER HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

The Board regularly reviews the financial requirements of the Group and the risks associated therewith. Group operations are primarily financed from retained earnings. The Group also has normal trading balances such as receivables, trade payables and accruals that arise directly from the Group's operations. Further information is provided in notes 19 and 20 to the financial statements.

The Group has access to revolving credit facilities under the terms of its banking arrangements with its bank (Santander), which the Board considers are adequate for its immediate needs, and for its operational requirements.

The Group does not use complicated financial instruments.

Key performance indicators

The Board regularly reviews key performance indicators. These are principally:

- Profitability: EBITDA is reviewed on a monthly basis against the approved budget; any variances are investigated and reported back to the Board;
- Cash Flow: Twelve-month cash flow forecasts are prepared regularly and reviewed by the Directors.

Consideration of these key performance indicators is included above in the Review of Business Section above.

Future developments

The directors believe that the Group is well placed for future growth, based on:

- A clear track of new product supported by our key partners in Publishing, Broadcasting, Distribution, Brand Endorsement, Product and Licensing. We have secured multi-year deals with each of our core partners in order to secure our model for content and IP creation;
- A strategy for international development of the Jamie Oliver brand and our international franchise business;
- Realising the value of our extensive asset base of historic content.

In addition the company received certification as a B-Corp during the year and along with our Social Impact reporting we continue to strive to have a positive impact on society and the environment alongside promoting the success of our businesses.

The Company's performance depends largely on its executive management team and staff. The ability to retain and recruit people of the right calibre is critical to the success of the business. The Board values the hard work of all Group employees and is very grateful for their continued support and diligence.

By order of the board



J Dewar
Secretary

17 December 2020

JAMIE OLIVER HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and financial statements for the year ended 31 December 2019.

Principal activities

The Group's principal activities during the year were developing and producing multimedia programming, artistic and literary creation and brand licensing. The principal activity of the company was that of a holding company.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J T Oliver

L Holland

P Hunt

P Lovelock

M Devereux

J Leigh

K Tu

(Appointed 1 May 2020)

(Appointed 1 May 2020)

(Appointed 1 May 2020)

Results and dividends

The Group's profit on ordinary activities before taxation for the year was £4,131,523 (2018: £8,825,239). After taking into account non-controlling interests and taxation the trading profit for the year was £3,031,067 (2018: £6,624,370). The above 2019 results are stated after exceptional items incurred and amortisation and impairment on acquisitions of £5,864,064 (2018: £1,585,020) and in respect of post tax results a deferred taxation credit of £445,968 (2018: current taxation credit of £34,200).

An interim dividend of £Nil per ordinary B share was paid in the year (2018: £20,000). The directors do not recommend the payment of a final dividend.

Going concern

The directors have considered the potential impact of the coronavirus on our business, taking into account the level of overheads to which the business is committed, the level of contracted revenue and the strong cash position of the group. At the time of approving the financial statements, based on 12 month cashflow forecasts prepared and the bank facilities in place, the directors are confident that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Qualifying third party indemnity provisions

Qualifying third party indemnity provision is in place for the benefit of all directors of the company, group companies and associated companies.

Auditor

RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to be reappointed for another term.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the group's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditor is aware of that information

Post balance sheet events

The outbreak of coronavirus (COVID-19) has been unprecedented and was declared a pandemic by the World Health Organisation on 11 March 2020. As such this is considered a potential non-adjusting post balance sheet event by the directors. Further details, including an expected impairment of franchise and development contracts, are given in note 38 to the financial statements.

JAMIE OLIVER HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Matters of Strategic Importance

Information in respect of future developments is not shown within the Directors' Report as it is instead included within the Strategic Report under S414c(11).

Details of liquidity and cash flow risk assessments are included in the Strategic Report. The board continuously monitor credit risk by assessing the financial performance of its major debtors and where deemed necessary, provisions are made against amounts unlikely to be recovered.

By order of the board



.....
J Dewar
Secretary

.....
17 December 2020

JAMIE OLIVER HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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). 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMIE OLIVER HOLDINGS LIMITED

Opinion

We have audited the financial statements of Jamie Oliver Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, the Group and Company Statements Of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMIE OLIVER HOLDINGS LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMIE OLIVER HOLDINGS LIMITED (CONTINUED)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

RSM UK Audit LLP

David Clark FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

17 December 2020

JAMIE OLIVER HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 before exceptional items and amortisation/ impairment on acquisitions £	2019 exceptional items and amortisation/ impairment on acquisitions £	2019 Total £	2018 Total (See page 10) £
Turnover	3	29,955,022	-	29,955,022	28,795,173
Cost of sales		(5,279,885)	-	(5,279,885)	(5,253,075)
Gross profit		24,675,137	-	24,675,137	23,542,098
Other operating expenses (net)	4	(14,759,972)	(5,864,064)	(20,624,036)	(15,189,286)
Operating profit		9,915,165	(5,864,064)	4,051,101	8,352,812
Share of results of associates	15	228,973	-	228,973	265,420
Profit on ordinary activities before interest and investment income		10,144,138	(5,864,064)	4,280,074	8,618,232
Interest receivable and similar income	5	42,723	-	42,723	294,821
Interest payable and similar expenses	6	(191,274)	-	(191,274)	(87,814)
Profit on ordinary activities before taxation	7	9,995,587	(5,864,064)	4,131,523	8,825,239
Taxation	11	(1,032,731)	445,968	(586,763)	(1,795,869)
Profit for the financial year		8,962,856	(5,418,096)	3,544,760	7,029,370
Profit for the year attributable to:					
Owners of the parent		8,449,163	(5,418,096)	3,031,067	6,624,370
Non-controlling interests	37	513,693	-	513,693	405,000
Profit for the year		8,962,856	(5,418,096)	3,544,760	7,029,370

JAMIE OLIVER HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 before exceptional items and amortisation/ impairment on acquisitions £	2018 exceptional items and amortisation/ impairment on acquisitions £	2018 Total £
Turnover	3	28,795,173	-	28,795,173
Cost of sales		(5,253,075)	-	(5,253,075)
Gross profit		23,542,098	-	23,542,098
Other operating expenses (net)	4	(13,604,266)	(1,585,020)	(15,189,286)
Operating profit		9,937,832	(1,585,020)	8,352,812
Share of results of associates		265,420	-	265,420
Profit on ordinary activities before interest and investment income		10,203,252	(1,585,020)	8,618,232
Interest receivable and similar income	5	294,821	-	294,821
Interest payable and similar expenses	6	(87,814)	-	(87,814)
Profit on ordinary activities before taxation	7	10,410,259	(1,585,020)	8,825,239
Taxation	11	(1,830,069)	34,200	(1,795,869)
Profit for the financial year		8,580,190	(1,550,820)	7,029,370
Profit for the year attributable to:				
Owners of the parent		8,175,190	(1,550,820)	6,624,370
Non-controlling interests	37	405,000	-	405,000
Profit for the year		8,580,190	(1,550,820)	7,029,370

JAMIE OLIVER HOLDINGS LIMITED

Company registration no. 04460800

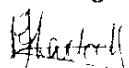
STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	Group		Company	
		2019 £	2018 £	2019 £	2018 £
Fixed assets					
Intangible assets	13	20,565,161	151,667	-	-
Tangible assets	14	1,507,486	1,607,936	14,192	31,311
Investments	15	69,366	148,138	2,549,689	2,047,189
		<u>22,142,013</u>	<u>1,907,741</u>	<u>2,563,881</u>	<u>2,078,500</u>
Current assets					
Stocks	18	10,000	10,000	-	-
Debtors due within one year	19	7,604,688	6,315,184	21,767,443	23,011
Debtors due after more than one year	19	-	15,849,871	-	15,849,871
Cash at bank and in hand		333,892	2,090,106	72,208	2,065,760
		<u>7,948,580</u>	<u>24,265,161</u>	<u>21,839,651</u>	<u>17,938,642</u>
Creditors: amounts falling due within one year	20	(13,398,269)	(13,414,315)	(22,647,162)	(16,283,171)
Net current (liabilities)/assets		<u>(5,449,689)</u>	<u>10,850,846</u>	<u>(807,511)</u>	<u>1,655,471</u>
Total assets less current liabilities		<u>16,692,324</u>	<u>12,758,587</u>	<u>1,756,370</u>	<u>3,733,971</u>
Provisions for liabilities	23	(1,646,087)	(1,257,110)	-	(1,258,094)
Net assets		<u>15,046,237</u>	<u>11,501,477</u>	<u>1,756,370</u>	<u>2,475,877</u>
Capital and reserves					
Called up share capital	26	200	200	200	200
Profit and loss account	27	14,127,342	11,096,275	1,756,170	2,475,677
Capital and reserves attributable to owners of the parent		<u>14,127,542</u>	<u>11,096,475</u>	<u>1,756,370</u>	<u>2,475,877</u>
Capital and reserves attributable to non-controlling interests	37	918,695	405,002	-	-
Total equity		<u>15,046,237</u>	<u>11,501,477</u>	<u>1,756,370</u>	<u>2,475,877</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss and total comprehensive income for the year was £719,507 (2018: profit of £4,568,699).

The financial statements were approved by the board of directors and authorised for issue on 17 December 2020 and are signed on its behalf by:



P Lovelock
Director

JAMIE OLIVER HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Profit and loss account £	Total £
Balance at 1 January 2018		200	6,471,905	6,472,105
Profit and total comprehensive income for the year		-	6,624,370	6,624,370
Transactions with owners:				
Dividends	12	-	(2,000,000)	(2,000,000)
Balance at 31 December 2018		200	11,096,275	11,096,475
Profit and total comprehensive income for the year		-	3,031,067	3,031,067
Balance at 31 December 2019		200	14,127,342	14,127,542

JAMIE OLIVER HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Profit and loss account £	Total £
Balance at 1 January 2018		200	(93,022)	(92,822)
Profit and total comprehensive income for the year		-	4,568,699	4,568,699
Transactions with owners:				
Dividends	12	-	(2,000,000)	(2,000,000)
Balance at 31 December 2018		<u>200</u>	<u>2,475,677</u>	<u>2,475,877</u>
Loss and total comprehensive income for the year		-	(719,507)	(719,507)
Balance at 31 December 2019		<u>200</u>	<u>1,756,170</u>	<u>1,756,370</u>

JAMIE OLIVER HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	34	7,184,162	11,751,036
Interest paid		(191,274)	(87,814)
Income taxes paid		(1,727,944)	(1,933,411)
Net cash from operating activities		<u>5,264,944</u>	<u>9,729,811</u>
Investing activities			
Acquisition of subsidiary (net of cash acquired)		(372,519)	-
Purchase of tangible fixed assets		(233,618)	(241,709)
Disposal of associate		20,000	-
Proceeds on disposal of tangible fixed assets		11,175	1,088
Dividends received from associates		225,000	260,000
Interest received		42,723	294,821
Loans advanced to related parties		(6,665,000)	(4,830,000)
Net cash used in investing activities		<u>(6,972,239)</u>	<u>(4,515,800)</u>
Financing activities			
Payment of obligations under finance leases		(48,919)	(48,918)
Dividends paid		-	(2,000,000)
Net cash used in financing activities		<u>(48,919)</u>	<u>(2,048,918)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(1,756,214)</u>	<u>3,165,093</u>
Cash and cash equivalents at beginning of year		<u>90,106</u>	<u>(3,074,987)</u>
Cash and cash equivalents at end of year		<u>(1,666,108)</u>	<u>90,106</u>
Relating to:			
Bank balances included in cash at bank and in hand		333,892	2,090,106
Overdrafts included in "creditors: amounts falling due within one year"		(2,000,000)	(2,000,000)
		<u>(1,666,108)</u>	<u>90,106</u>

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Jamie Oliver Holdings Limited ("the company") is a private company limited by shares registered, domiciled and incorporated in England and Wales. The registered office and principal place of business is Benwell House, 15-21 Benwell Road, London, N7 7BL.

The group consists of Jamie Oliver Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of operations are disclosed in the Directors Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention. The principal accounting policies are set out below.

The consolidated financial statements are presented in sterling which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements as a qualifying entity:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the company are included within these consolidated financial statements of Jamie Oliver Holdings Limited.

Going concern

The directors have considered the potential impact of the coronavirus on our business, taking into account the level of overheads to which the business is committed, the level of contracted revenue and the strong cash position of the group.

At the time of approving the financial statements, based on 12 month cashflow forecasts prepared and the bank facilities in place, the directors are confident that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate those of Jamie Oliver Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2019.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Non-controlling interests

Under section 35 of FRS 102, the changes to the requirements for accounting for non-controlling interests may not be applied retrospectively. Under previous UK GAAP, provisions were made against negative non-controlling interests to restrict the balances to the amount deemed recoverable. Under FRS 102 negative non-controlling interest is recognised in full where non-controlling interest share of results for the period is negative. When the group's interest in a subsidiary is increased, an adjustment is made to release the part of the historic provision which relates to the non-controlling interest disposed of.

Change in interest where control is not obtained or lost

Where an interest in a subsidiary is increased or reduced, but control is not obtained or lost, the difference between the fair value of any consideration paid or received and the change to the non-controlling interest is recognised directly in equity and attributed to owners of the parent.

Turnover

Turnover represents the invoiced value, net of Value Added Tax, of programme productions, licencing income and royalty and franchise income.

Income from the licensing of programmes to television networks is recognised when the group obtain contractual rights to the amounts due.

Income from production of programmes is recognised in accordance with the terms of the contract which reflect each stage of the production.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated based on the level of completion at the year end, with reference to the percentage of total costs incurred to date.

Royalty and franchise income is recognised on an accruals basis.

Following a review of intercompany transactions, the comparatives within the financial statements have been amended such that they are comparable as required under section 2.11 of FRS102. There is no impact on profit or net assets.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Intangible fixed assets - goodwill

Goodwill representing the excess of the consideration for an acquired undertaking compared with the fair value of net assets acquired is capitalised and written off evenly over three to ten years as in the opinion of the directors this represents the period over which the goodwill is effective. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

The amortisation period was formerly three to five years. This has been updated in view of the expected life of the goodwill acquired in the year.

When the fair value of the consideration for an acquired undertaking is less than the fair value of the separable net assets, the difference is treated as negative goodwill which, up to the value of the non-monetary assets acquired, is recognised in the profit and loss account in the period in which those non-monetary assets are realised.

Any negative goodwill in excess of the fair value of the non-monetary assets acquired is recognised in the profit and loss account in the periods expected to be benefited.

Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost or valuation and are subsequently measured at cost or valuation less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Image rights	10 years
Franchise and development contracts	Lower of 10 years and length of the contract

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset to its estimated residual value over its expected useful life, as follows:

Leasehold improvements	over the remaining lease term
Computer equipment	33.3% straight line
Fixtures, fittings and equipment	15% to 33.3% straight line
Motor vehicles	20% straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Any impairment loss recognised for goodwill is not reversed. For fixed assets other than goodwill, recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Associates

Undertakings in which the group holds a long term interest and has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate's results to 31 December.

Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill.

All unrealised profit or losses on transactions with the associate are eliminated to the extent of the group's interest, except where unrealised losses provide evidence of an impairment. Where necessary, adjustments are made to bring the accounting policies of the associate into line with those used by the group.

Dividends received from the associate reduce the carrying amount of the investment.

Losses in an associate that reduce the carrying amount of the investment in the associate to below zero are not recognised, but a provision is recognised to the extent that the group has an obligation to or has made payments on behalf of the associate.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provisions are made against slow moving and obsolete stock.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial Instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument, and are offset only when the group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables, accrued income and amounts recoverable on contract are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial liabilities

Basic financial liabilities, including trade and other payables, accruals and balances with fellow group and associated companies, are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the year end date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the year end date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries and associates that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Provision is made for liabilities arising in respect of expected amounts due in conjunction with long term staff incentive schemes.

Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the statement of financial position.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Research and development costs

Research expenditure is written off against profits in the year in which it is incurred.

2 Critical accounting estimates and judgements

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Provisions

The group has recognised provisions for impairment of other debtors and in relation to income tax in its financial statements which required management to make judgements. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable assumptions.

Useful lives of property, plant and equipment and intangible assets

The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives of the company's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Long-term contracts

The group has made an assessment on the stage of completion of long-term contracts not complete at the reporting date. Such assessments determine the amount of turnover and related costs recognised in the profit and loss account.

Fair value of intangible fixed assets on acquisition

Upon the acquisition of JJIL, the directors have assessed the fair value of franchise and development contracts in place, based on the present day value of the anticipated cash generation from these contracts.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Turnover

A full analysis of turnover and profit before taxation by class of business and the geographical analysis of turnover has not been given as in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the group.

An analysis of the significant types of the group's turnover is as follows:

	2019 £	2018 £
Royalties, endorsements and licensing income	21,542,825	22,293,752
Production income	5,702,630	6,128,388
Magazine publishing	2,398	191,658
Franchise income	2,666,491	-
Other income	40,678	181,375
	<u>29,955,022</u>	<u>28,795,173</u>

All turnover relates to the provision of services, with the exception of magazine publishing which relates to the sale of goods.

4 Other operating expenses (net)

	2019 £	2018 £
Administration expenses	15,450,824	14,428,115
Other operating income	(690,852)	(823,849)
Exceptional items (administration expenses)	2,586,838	1,585,020
Franchise and development contracts impairment (note 13)	1,453,411	-
Franchise and development contracts and goodwill amortisation (note 13)	1,823,815	-
	<u>20,624,036</u>	<u>15,189,286</u>

The exceptional items include support given to the Jamie Oliver Restaurant Group and associated companies before and after their administration, including monies paid into the administration to cover employee wage costs; also included in exceptional items are the costs associated with a restructuring of the Group's banking facilities

5 Interest receivable and similar income

	2019 £	2018 £
Interest on financial assets measured at amortised cost:		
Interest on bank deposits	637	21
Other interest	42,086	294,800
	<u>42,723</u>	<u>294,821</u>

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6	Interest payable and similar charges	2019	2018
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on loans and overdrafts	191,274	47,895
	Other interest	-	39,919
		<u>191,274</u>	<u>87,814</u>
7	Profit on ordinary activities before taxation	2019	2018
		£	£
	Profit on ordinary activities before taxation is stated after charging/(crediting):		
	Exchange gains	40,430	3,040
	Depreciation of owned tangible fixed assets	284,882	257,009
	Depreciation of tangible fixed assets held under finance leases	48,918	48,918
	(Profit)/loss on disposal of tangible fixed assets	(10,043)	1,100
	Amortisation and impairment of intangible fixed assets	3,312,226	35,000
	Operating lease rentals	672,360	624,531
	Impairment of associates	20,502	-
	Loss on disposal of associates	42,205	-
8	Auditor's remuneration	2019	2018
		£	£
	Fees payable to the company's auditor and its associates		
	For audit services:		
	Audit of the group's and company's financial statements	86,455	68,050
	For other services:		
	Taxation compliance services	41,570	24,495
	All other non-audit services	27,710	33,075
		<u>69,280</u>	<u>57,570</u>
9	Employees		
	The average monthly number of persons (including directors) employed by the group during the year was:		
		Group	Company
		2019	2018
		No	No
	Office and management	146	138

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Employees (continued)

Their aggregate remuneration comprised:

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Wages and salaries	8,966,832	8,704,297	-	-
Social security costs	1,067,150	1,038,758	-	-
Defined contribution pension costs	360,799	309,768	-	-
	<u>10,394,781</u>	<u>10,052,823</u>	<u>-</u>	<u>-</u>

10 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	1,503,369	1,830,226
Company contributions to defined contribution pension schemes	26,492	29,921
Amounts receivable under long term incentive schemes	56,500	44,000
	<u>1,586,361</u>	<u>1,904,147</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018: 3).

The number of directors who benefitted under long term incentive schemes during the year was 2 (2018: 1)

There is no key management personnel note on the basis that all key management personnel are directors.

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	<u>707,878</u>	<u>1,090,014</u>

11 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	1,060,579	2,006,517
Adjustments in respect of prior periods	(139,149)	(179,726)
Foreign corporation tax	41,072	-
Total current tax	<u>962,502</u>	<u>1,826,791</u>

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Taxation (continued)

Deferred tax

Origination and reversal of timing differences	(381,328)	(45,747)
Adjustments in respect of prior periods	5,589	14,825
Total deferred tax	(375,739)	(30,922)
Total tax charge	586,763	1,795,869

The charge for the year can be reconciled to the profit per the statement of comprehensive income multiplied by the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	4,131,523	8,825,239
Expected tax charge based on a corporation tax rate of 19.00% (2018: 19.00%)	784,989	1,676,795
Tax effect of expenses that are not deductible in determining taxable profit	50,646	322,740
Adjustments in respect of prior years	(133,560)	(164,901)
Fixed asset timing differences	281,883	16,616
Income not taxable	(37,541)	(2,600)
Change in tax rate	(26,995)	8,873
(Losses utilised)/deferred tax not recognised	(180,786)	11,147
Foreign tax adjustment	(5,587)	-
Other tax adjustments	(146,286)	(72,801)
Tax expense for the year	586,763	1,795,869

Jamie Magazine Limited, an indirect subsidiary of the group, has unrelieved corporation tax losses carried forward of £1,752,839 (2018: £1,756,208) available to offset against future trading profits. There is an unrecognised deferred tax asset at a corporation tax rate of 17% (2018: 17%) of £297,983 (2018: £298,555) in respect of these carried forward losses as the timing of future profits is uncertain. Management will consider recognition of this asset in future periods based upon their projections of profits at that time.

Recipease Limited, an indirect subsidiary of the group, also has unrelieved corporation tax losses carried forward of £5,328,503 (2018: £5,427,526) available to offset against future trading profits. There is an unrecognised deferred tax asset at a corporation tax rate of 17% (2018: 17%) of £905,845 (2018: £922,679) in respect of these carried forward losses as the timing of future profits is uncertain. Management will consider recognition of this asset in future periods based upon their projections of profits at that time.

Recipease Limited also has accelerated capital allowances carried forward of £528,799 (2018: £644,393). There is an unrecognised deferred tax liability at a corporation tax rate of 17% (2018: 17%) of £89,896 (2018: £109,547) in respect of these capital allowances which is offset against the unrecognised deferred tax asset.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Taxation (continued)

Jamie Oliver Holdings Limited, also has unrelieved corporation tax losses carried forward of £375,447 (2018: £1,257,110), available to offset against future trading profits. There is an unrecognised deferred tax asset at a corporation tax rate of 17% (2018: 17%) of £63,826 (2018: £213,709) in respect of these carried forward losses as the timing of future profits is uncertain. Management will consider recognition of this asset in future periods based upon their projections of profits at that time.

Jamie Oliver Holdings Limited also has decelerated capital allowances carried forward of £1,489 (2018: £Nil). There is an unrecognised deferred tax asset at a corporation tax rate of 17% (2018: 17%) of £1,489 (2018: £Nil) in respect of these capital allowances.

Taxation presented separately within the consolidated statement of comprehensive income totalling a credit of £445,968 (2018: £nil) relates to deferred taxation adjustments related to the amortisation and impairment of franchise and development contracts acquired.

12	Dividends	2019 £	2018 £
	Jamie Oliver Holdings Ordinary 'B' shares:		
	Interim paid £Nil (2018: £20,000) per share	-	2,000,000

13 Intangible fixed assets

Group	Franchise and development contracts £	Goodwill £	Image rights £	Total £
Cost				
1 January 2019	-	1,811,221	350,000	1,713,963
Additions (note 28)	12,306,206	11,419,514	-	23,725,720
31 December 2019	12,306,206	13,230,735	350,000	25,439,683
Amortisation and impairment				
1 January 2019	-	1,811,221	198,333	1,562,296
Charged in the year	1,169,930	653,885	35,000	1,858,815
Impairment	1,453,411	-	-	1,453,411
31 December 2019	2,623,341	2,465,106	233,333	4,874,522
Carrying amount				
At 31 December 2019	9,682,865	10,765,629	116,667	20,565,161
At 31 December 2018	-	-	151,667	151,667

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Intangible fixed assets (continued)

Any impairment or amortisation charge is included within administrative expenses.

There are no intangible fixed assets held by the company.

The impairment noted above results from a review carried out by the directors at the year end of the anticipated cash generation from the relevant contracts.

14 Tangible fixed assets

Group	Leasehold improvements £	Plant and Machinery £	Total £
Cost			
1 January 2019	2,163,415	1,895,328	4,058,743
Acquisitions	-	19,551	19,551
Additions	200,582	33,036	233,618
Disposals	(508,518)	(312,689)	(821,207)
31 December 2019	1,855,479	1,635,226	3,490,705
Depreciation and impairment			
1 January 2019	930,301	1,520,506	2,450,807
Acquisitions	-	18,687	18,687
Depreciation charged in the year	187,542	146,258	333,800
Disposals	(508,518)	(311,557)	(820,075)
31 December 2019	609,325	1,373,894	1,983,219
Carrying amount			
31 December 2019	1,246,154	261,332	1,507,486
31 December 2018	1,233,114	374,822	1,607,936
Company			
	Leasehold Improvements £	Plant and Machinery £	Total £
Cost			
1 January 2019 and 31 December 2019	156,216	43,088	199,304
Depreciation			
1 January 2019	124,905	43,088	167,993
Depreciation charged in the year	17,119	-	17,119
31 December 2019	142,024	43,088	185,112
Carrying amount			
31 December 2019	14,192	-	14,192
31 December 2018	31,311	-	31,311

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

14 Tangible fixed assets (continued)

The net book value of group plant and machinery includes £36,689 (2018: £85,608) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge in respect of these assets were £48,919 (2018: £48,918).

15	Fixed asset investments	2019 £	2018 £
	Group		
	Investments in associated undertakings	69,366	148,138
	Movements in fixed asset investments		Associated undertakings £
	Cost		
	At 1 January 2019		148,138
	Disposal		(62,203)
	Impairment		(20,542)
	Share of results of associates		228,973
	Dividends already remitted to group		(225,000)
	At 31 December 2019		69,366
	Carrying amount		
	At 31 December 2019		69,366
	At 31 December 2018		148,138
		2019 £	2018 £
	Company		
	Investments in subsidiaries	2,549,689	2,047,189
	Movements in fixed asset investments		Investments in subsidiaries £
	Cost		
	1 January 2019		2,047,189
	Additions		502,500
	At 31 December 2019		2,549,689
	Carrying amount		
	At 31 December 2019		2,549,689
	At 31 December 2018		2,047,189

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Subsidiary undertakings

Details of the company's subsidiaries at 31 December 2019 are as follows:

<i>Name of undertaking</i>	<i>Registered office</i>	<i>Class of shareholding</i>	<i>Proportion of nominal value held</i>	<i>Nature of business</i>
Subsidiary undertakings owned by Jamie Oliver Holdings Limited:				
Jamie Oliver Limited	Benwell House, 15-21 Benwell Road, London, N7 7BL	Ordinary	100%	Artistic & literary creation
Jamie Oliver Enterprises Limited	As above	Ordinary	100%	Brand licensing
Jools Enterprises Limited	As above	Ordinary 'A' shares	100%	Artistic and literary management
Jamie Oliver Productions Limited	As above	Ordinary and Ordinary 'A' shares	100%	TV & multi media programming
Jamie's Italian International Limited	As above	Ordinary	100%	Franchising of restaurants
Subsidiary undertakings owned by Jamie Oliver Limited:				
Jamie Magazine Limited	As above	Ordinary and Ordinary 'A' shares	100%	Retailing and international licensing of magazine content
Food Tube Limited	As above	Ordinary	100%	Dormant
Jamie Oliver Partnerships Limited	As above	Ordinary	80%	Brand licensing
Subsidiary undertakings owned by Jamie Oliver Enterprises Limited:				
Jamie's Ministry of Food Limited	As above	Ordinary	100%	Dormant
Made with Magic Limited	As above	Ordinary	85%	Dormant
Subsidiary undertakings owned by Jamie Oliver Productions Limited:				
FL Productions Limited	As above	Ordinary	100%	Television commercial production
Subsidiary undertakings owned by Jamie's Italian International Limited:				
Recipease Limited	As above	Ordinary	100%	Licensing and operation of a cookery school concept

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Subsidiary undertakings (continued)

Jools Enterprises Limited is a subsidiary undertaking by virtue of the fact that Jamie Oliver Holdings Limited owns 100% of the voting shares.

All of the above companies are incorporated in the United Kingdom and are included in the consolidation.

The following subsidiary companies have taken the exemption in Section 479A of the Companies Act 2006 ("the Act") from the requirements in the Act for their individual accounts to be audited.

Jamie Oliver Limited (registered number 03822122)
Jamie Oliver Enterprises Limited (registered number 06294067)
Jools Enterprises Limited (registered number 04677900)
Jamie Magazine Limited (registered number 06739827)
Recipease Limited (registered number 06447867)
Jamie Oliver Productions Limited (registered number 04075091)
FL Productions Limited (registered number 08633546)
Jamie Oliver Partnerships Limited (registered number 11541291)
Jamie's Italian International Limited (registered number 06739608)

17 Associates

Details of the group's associates at 31 December 2019 are as follows:

<i>Name of undertaking</i>	<i>Registered office</i>	<i>Class of shareholding</i>	<i>Proportion of nominal value held</i>	<i>Nature of business</i>
Participating interests owned by Jamie Oliver Enterprises Limited:				
Fresh Crush Limited	Benwell House, 15-21 Benwell Road, London, N7 7BL	Ordinary	50%	Dormant
Participating interests owned by Jamie Oliver Productions Limited:				
Fresh Pictures Limited	Benwell House, 15-21 Benwell Road, London, N7 7BL	Ordinary	50%	Television programme production
Guppy Productions Limited	As above	Ordinary	50%	International exploitation of television programme rights

All the above companies are incorporated in the United Kingdom. All of these companies are included in the consolidation.

50% of the share capital and voting rights of Fresh Crush Limited are held by Jamie Oliver Enterprises Limited, but Jamie Oliver Enterprises Limited is entitled to 75% of all profit and dividends under the terms of the shares owned.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17 Associates (continued)

Jamie Oliver Enterprises Limited, a subsidiary of the company, disposed of its 28% shareholding in Cobble Lane Cured Limited on 30 August 2019 (see note 29 for more information).

18 Stocks

	Group	
	2019 £	2018 £
Goods for resale	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

There are no stocks held by the company.

19 Debtors

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	5,076,602	3,165,965	-	-
Amounts recoverable on long term contracts	309,350	675,870	-	-
Group balances	-	-	21,628,670	-
Other debtors	344,415	525,033	37,940	23,011
Prepayments and accrued income	1,837,790	1,841,556	100,833	-
	<u>7,568,157</u>	<u>6,208,424</u>	<u>21,767,443</u>	<u>23,011</u>
Deferred tax asset (note 24)	36,531	106,760	-	-
	<u>7,604,688</u>	<u>6,315,184</u>	<u>21,767,443</u>	<u>23,011</u>
Amounts due after more than one year:				
Other debtors	-	15,849,871	-	15,849,871
	<u>-</u>	<u>15,849,871</u>	<u>-</u>	<u>15,849,871</u>

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

20	Creditors: Amounts falling due within one year	Group		Company	
		2019 £	2018 £	2019 £	2018 £
	Bank overdrafts (note 21)	2,000,000	2,000,000	2,000,000	2,000,000
	Obligations under finance leases	24,459	73,378	-	-
	Trade creditors	591,879	1,082,756	31,988	63,409
	Group balances	-	-	20,435,193	12,827,144
	Amounts due to associate undertakings	82,839	15,981	-	-
	Corporation tax payable	340,363	1,105,805	-	-
	Other taxation and social security	645,470	1,193,037	-	-
	Directors' current accounts	4,591	1,303,297	3,986	1,303,297
	Other creditors	615,974	475,581	102	102
	Accruals and deferred income	9,092,694	6,164,480	175,893	89,219
		<u>13,398,269</u>	<u>13,414,315</u>	<u>22,647,162</u>	<u>16,283,171</u>

21 Borrowings

Borrowings relate in full to bank overdrafts totalling £2,000,000 (2018: £2,000,000) which are secured by a debenture over the assets of the group.

22	Finance lease obligations	Group		Company	
		2019 £	2018 £	2019 £	2018 £
	Future minimum lease payments due under finance leases:				
	Less than one year	<u>24,459</u>	<u>73,378</u>	<u>-</u>	<u>-</u>

Finance leases are in respect of plant and machinery held.

23 Provisions for liabilities

Group		Deferred Taxation £	Other £
	Balance at 1 January 2019	-	1,257,110
	Utilisation of provision	-	(1,257,110)
	Fair value of intangible assets (note 24)	1,646,087	-
	Balance at 31 December 2019	<u>1,646,087</u>	<u>-</u>

The amount of £1,257,110 relates to guarantees given within the prior year and paid within the current year end in relation to Jamie Oliver Restaurant Group.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

24 Deferred taxation

The deferred tax liabilities and assets recognised are:

	Group		Company	
Deferred tax liabilities:	2019 £	2018 £	2019 £	2018 £
Accelerated capital allowances	-	-	-	984
Fair value of intangible assets	1,646,087	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Deferred tax assets:	2019 £	2018 £	2019 £	2018 £
(Accelerated)/decelerated capital allowances	(52,884)	(27,842)	-	-
Other timing differences	89,415	134,602	-	-
	<u>36,531</u>	<u>106,760</u>	<u>-</u>	<u>-</u>
Movements in the year:				
	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Net position at 1 January	(106,760)	(75,838)	984	3,352
Credit to profit or loss	(375,739)	(30,922)	(984)	(2,368)
Arising on business combination	2,092,055	-	-	-
	<u>(1,609,556)</u>	<u>(106,760)</u>	<u>-</u>	<u>984</u>

The net deferred tax position is expected to result in a credit to the statement of comprehensive income of approximately £475,000 in the next 12 months

Unrecognised deferred tax assets are shown in note 11 to the financial statements.

25 Retirement benefits schemes

Defined contribution schemes

The group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group charged to profit or loss amounted to £360,799 (2018: £309,768). Contributions totalling £2,411 (2018: £29,701) were payable to the fund at the year end and are included in creditors.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

26	Share capital	Ordinary 'A' shares of £1 each Number	Ordinary 'B' shares of £1 each Number	Total £
	Allotted, issued and fully paid: 1 January 2019 and 31 December 2019	100	100	200

The 'B' Ordinary shares do not carry any voting rights. They rank pari passu with 'A' ordinary shares in all other respects.

27 Reserves

Profit and loss reserve

The profit and loss reserve represents cumulative profit and loss net of distributions to owners.

28 Acquisitions

Business combinations

On 6 June 2019, Jamie Oliver Holdings acquired 100 per cent of the issued share capital of Jamie's Italian International Limited for a total cash consideration of £502,500.

Consolidated results include turnover of £2,666,491 and loss after tax of £582,191 (before amortisation as shown in note 13) contributed by Jamie's Italian International Limited between the date of acquisition and 31 December 2019.

Jamie's Italian International Limited has been accounted for using the acquisition method of accounting. At 6 June 2019 (the 'acquisition date'), the assets and liabilities of Jamie's Italian International Limited were consolidated at their fair values to the Group, as set out below:

	Book value £	Fair value £
Intangible fixed assets	-	12,306,206
Tangible fixed assets	864	864
Debtors	319,921	1,319,921
Cash at bank	129,981	129,981
Other creditors	(22,581,931)	(22,581,931)
Deferred taxation on intangible fixed assets	-	(2,092,055)
	(22,131,165)	(10,917,014)

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

28 Acquisitions (continued)

Fair value of assets acquired	(10,917,014)
Goodwill	11,419,514
Total consideration	502,500
Satisfied by:	
Cash	500,000
Acquisition costs	2,500
	502,500

29 Disposals

During the year, Jamie Oliver Enterprises Limited, a subsidiary of the company, disposed of its 28% shareholding in Cobble Lane Cured Limited for total proceeds of £20,000.

30 Financial commitments, guarantees and contingent liabilities

A cross guarantee exists between Jamie Oliver Holdings Limited, Jamie Oliver Limited, Jamie Oliver Productions Limited, Jamie Oliver Enterprises Limited, Jamie Magazine Limited, Jools Enterprises Limited, Recipease Limited, Jamie's Italian International Limited and Jamie Oliver Partnerships Limited. The outstanding net balance in relation to this bank facility is £2,000,000 (2018: £2,000,000). This facility is secured by a fixed and floating charge over the companies' assets.

The company and group are contingently liable in respect of a group VAT agreement with Jamie Oliver Holdings Limited, Jamie Oliver Limited, Jamie Oliver Enterprises Limited, Jools Enterprises Limited, Jamie Oliver Productions Limited, FL Productions Limited, Fresh One Productions Limited, Jamie Oliver Partnerships Limited and Guppy Productions Limited. At 31 December 2019 the company's contingent liability was £382,769 (2018: £947,878) and the group's contingent liability was £23 (2018: £86).

In accordance with Section 479C of the Companies Act 2006, Jamie Oliver Holdings Limited has provided a guarantee over the liabilities of certain members of the group. Further details are given in note 16 to the financial statements.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

31 Operating lease commitments

Lessee:

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	544,763	412,473
Between one and five years	1,665,272	2,210,035
	<u>2,210,035</u>	<u>2,622,508</u>

Operating leases consist primarily of the lease in respect of the operational premises.

32 Related party transactions

Transactions with related parties

	Other related parties		Jointly controlled entities and associates	
	2019 £	2018 £	2019 £	2018 £
Sales in the year	2,856,106	3,340,500	11,236	11,772
Purchases in the year	55,299	58,864	518,253	624,207
Loans advanced during the year	6,665,000	4,830,000	-	8,500
Dividends received by the group	-	-	225,000	260,000
Amounts owed by related parties at the year end	148,132	16,155,870	895	-
Amounts owed to related parties at the year end	<u>1,623</u>	<u>52,153</u>	<u>84,024</u>	<u>88,050</u>
Amounts provided against during the year	-	200,116	-	-

During the year, the group provided for £Nil (2018: £1,257,110) in relation to guarantees on behalf of the Jamie Oliver Restaurant Group, which were paid post year end.

In June 2019, Jamie Oliver Holdings Limited purchased 100% of the share capital of Jamie's Italian International Limited, upon acquisition and consolidation £22.5m of the amounts previously owed by related parties was recognised as set out in note 28.

33 Controlling party

The directors consider the ultimate controlling party to be J T Oliver.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

34 Cash generated from operations

	2019 £	Group 2018 £
Profit for the year	3,544,760	7,029,370
Income tax expense	586,763	1,795,869
Finance cost	191,274	87,814
Investment income	(42,723)	(294,821)
Amortisation of intangible fixed assets	1,858,815	35,000
Impairment of intangible fixed assets	1,453,411	-
Depreciation of tangible assets	333,800	305,927
(Profit)/loss on disposal of tangible assets	(10,043)	1,100
Loss on disposal of associate	42,203	-
Share of profit of associates	(228,973)	(265,420)
Impairment of associate	20,542	-
Operating cash flows before movements in working capital	7,749,829	8,694,839
(Increase)/decrease in trade and other debtors	(39,812)	915,806
Increase in trade and other creditors	731,255	883,281
(Decrease)/increase in provisions	(1,257,110)	1,257,110
	(565,667)	3,056,197
Cash generated from operations	7,184,162	11,751,036

35 Analysis of changes in net funds – group

	1 January 2019 £	Cash flows £	31 December 2019 £
Cash at bank and in hand	2,090,106	(1,756,214)	333,892
Bank overdrafts	(2,000,000)	-	(2,000,000)
	90,106	(1,756,214)	(1,666,108)

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

36 Transactions with directors

J T Oliver (director) and his wife received dividends of £Nil (2018: £1,200,000) and £Nil (2018: £800,000) respectively in the year. At the year end the amount due to J T Oliver and his wife was £4,591 (2018: £1,303,297). No interest is chargeable on this balance.

At the balance sheet date there was a loan due from L Holland of £176,488 (2018: £176,488). Interest payable on the loan from L Holland was £4,412 (2018: £3,750).

At the balance sheet date there was a loan due to P Hunt of £198,750 (2018: £Nil). No interest is chargeable on this balance. This balance is included within other creditors.

37 Non-controlling interest

	2019 £	Group 2018 £
Non-controlling interest share of profit for the year	513,693	405,000
Charge to profit and loss account	513,693	405,000
Addition of non-controlling interest in subsidiary	-	2
Net addition to non-controlling interest	513,693	405,002
Opening non-controlling interest	405,002	-
Closing non-controlling interest	918,695	405,002

38 Post balance sheet events

The outbreak of coronavirus (COVID-19) has been unprecedented and was declared a pandemic by the World Health Organisation on 11 March 2020. As such this is considered a potential non-adjusting post balance sheet event by the directors. The directors are continuing to monitor the post year end trading of the business, which remains profitable and continues to generate cash through trading activities. However, the directors continue to take appropriate actions to mitigate the impact of the pandemic on the group. The directors have considered the continuing potential impact of the coronavirus on the business and remain confident that through focussing on securing existing and future revenue streams and controlling and reducing the cost base where possible that the impact will not undermine the integrity of the business. The directors have specifically identified that the value of franchise and development contracts shown in note 13 will require a full impairment review. The directors currently believe that this will lead to an impairment provision of approximately £1.4m (net of deferred tax) within the 2020 financial statements.