Company Registration No. 05751533 (England and Wales)

SAKE NO HANA LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

SAKE NO HANA LIMITED
COMPANY INFORMATION

Director	M Ryan-Southern
Company number	05751533
Registered office	3rd Floor Elsley House 24 – 30 Great Titchfield Street London W1W 8BF
Auditor	BDO LLP 55 Baker Street London W1U 7EU

CONTENTS

The Director presents his report and the financial statements for Sake No Hana Limited (the Company) for the year ended 31 December 2019.

The accounting reference period changed from a fiscal year end of 30 June to a calendar year end at 31 December 2018. Accounts relating to the year ended 31 December 2019, and the comparative six month period to 31 December 2018 have been presented. This change was made to bring the reporting date in line with the parent entity's financial reporting date.

Principal activities

The Company owns and manages restaurant establishments across Europe, the Middle East and Asia.

Director

The Director who held office during the year and up to the date of signature of the financial statements was as follows:
M Ryan-Southern

Post balance sheet events

Details of post balance sheet events are set out in note 17 to the financial statements.

Going concern

These financial statements have been prepared on the going concern basis. The Director and management have plans and forecasts that show the Company, together with receipt of a letter of support from its parent company, Hakkasan Limited (the Global Group), will be able to continue as a going concern for at least a period of twelve months from the date of balance sheet approval. However, given the relationship between the company and its parent company, it is reliant not only on its parent's support, but on the parent and the Global Group of which the company is a subsidiary of, maintaining sufficient working capital to support its activities.

The impact of the coronavirus (COVID-19) pandemic on the Company and the resultant global economic uncertainties have been considered by the Director who has undertaken a re-assessment of the cashflow forecasts covering a period of at least 12 months from the date of approval of the financial statements. Cashflow forecasts have been prepared based on a range of scenarios including, but not limited to, no further debt or equity funding, the timing of opening of our properties staggered and/or deferred to the end of the calendar year, cost reductions, both limited and extensive, and a combination of these different scenarios. We have assessed the sensitivity analysis on cashflows, and in order to finance these cashflow forecasts, we have completed a series of positive working capital events since the year end, including the Global Group's access to an additional $36.0M through extending existing shareholder facilities.

The Global Group's Directors and management believes that these actions place the Global Group with sufficient working capital (which includes cash) to achieve its plans to recover from the impact of the pandemic. The key factors in relation to these plans are:

- the timing of re-opening of the Global Group's properties in a manner that is compliant with local laws and regulations as well as anticipated demand;
- the level of onsite sales activity (primarily entrance fees at the Global Group's nightlife and daylife properties and sales of food and beverage at all properties) that, even after opening, may be subject to reduced capacity a result of on-going restrictions;
- the implementation of extensive cost reduction measures that continue to support the timing of the Global Group's properties re-openings and anticipated levels of capacity.

Based on the available cash as a result of completed financing events discussed above, and the plans that have been put in place to re-open our properties in a cost controlled manner, the Director believes that the Global Group will be able to operate within its existing facilities, meet all of its covenant requirements and have the continued support of its banks and shareholders throughout the going concern period.

However, there is a risk that the Global Group will be impacted by customers and prospective customers deferring visiting the Global Group's properties. If sales and settlement of existing debts are not in line with cash flow forecasts, the Directors of the Global Group have identified cost savings associated with the reduction in revenues and have the ability to identify further cost savings if necessary, then additional funding may be required. While the Directors have no reason to believe that customer revenues and receipts will decline to the point that the Global Group no longer has sufficient resources to fund its operations, should this occur, the Global Group may need to seek additional funding beyond the facilities that are currently available to it through a placement of shares or source other funding, as well as making significant reductions in its fixed cost expenses. See note 2 to the financial statements, for further information on going concern.

Going concern (continued)

The Director of the Company has taken into consideration detailed cash flow forecasts for the Global Group and has concluded that a material uncertainty, which may cast significant doubt about the Company's ability to continue as going concerns and therefore that they may be unable to realise their assets and discharge liabilities in the normal course of business. The financial statements do not include the adjustments that would be required if the Company was unable to continue as a going concern.

Employment of disabled persons

The Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability or perceptions of it.

The Company's human resource procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the Company, the human resource procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the Company. Retraining of employees who become disabled whilst employed by the Company is offered where appropriate.

Dividends

No dividends were paid by the Company during the period (year ending 31 December 2019 – £0).

Employee involvement

The Company maintains a human resources intranet site that provides employees with information on matters of concern to them as employees, including the financial and economic factors affecting the performance of the Company. The intranet site includes functionality that enables employees to express views on matters that affect them anonymously and the Company also undertakes a biennial staff survey to canvas views on significant matters.

Statement of disclosure to auditor

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

Small companies note

In preparing this report, the Director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board:

....

M Ryan-Southern
Director

Date: ...30...September 2020

The Director is responsible for preparing the Directors' Report and the financial statements accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the Directors has elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). Under company law the director 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 director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Opinion

We have audited the financial statements of Sake No Hana Limited (the Company) for the year ended 31 December 2019 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its 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 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.

Material uncertainty in relation to going concern

We draw attention to Note 2 to the financial statements, which explains that the company is reliant on the support of its ultimate parent company to enable it to continue as a going concern. The ability of the ultimate parent company being able to maintain sufficient working capital to provide this support may be adversely affected by the potential impact of COVID-19. These conditions, along with other matters as set out in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Director is responsible for the other information. The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. 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.

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 Director' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Director's remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Director was not entitled to take advantage of the small companies' exemptions in preparing the Director's report and from the requirement to prepare a Strategic report.

Responsibilities of Director

As explained more fully in the Director's Responsibilities Statement, the Director is 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 Director determines 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 Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (FRC's) website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Iain Henderson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

30 September 2020

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

SAKE NO HANA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Year ended 31 December 2019 £'000	Period ended 31 December 2018 £'000
Revenue	4	4,105	2,237
Cost of sales		(954)	(489)
Gross profit		3,151	1,748
Administrative expenses			
Depreciation on owned property and equipment	8	(47)	(21)
Depreciation on right-of use assets	15	(316)	-
Other administrative expenses	5	(2,549)	(1,376)
Total administrative expenses		(2,912)	(1,397)
Operating profit		**239**	**351**
Finance costs	15	(60)	-
Profit and total comprehensive income for the period		**179**	**351**

The notes form part of the financial statements.

SAKE NO HANA LIMITED **Company Registration No. 05751533**
STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2019

	Note	31 December 2019 £'000	31 December 2018 £'000
ASSETS			
Non-current assets			
Property and equipment			
Owned assets	8	180	121
Right-of-use assets	15	950	-
Refundable deposits		263	263
Total non-current assets		1,393	384
Current assets			
Cash and cash equivalents		1,077	797
Contract assets	9	34	33
Trade and other receivables	11	229	271
Inventories	12	110	111
Total current assets		1,450	1,212
TOTAL ASSETS		2,843	1,596
LIABILITIES			
Current liabilities			
Trade and other payables	13	2,169	1,989
Lease liabilities	15	307	-
Total current liabilities		2,476	1,989
Non-current liabilities			
Lease liabilities	15	581	-
Total liabilities		3,057	1,989
NET LIABILITIES		**(214)**	**(393)**
CAPITAL AND RESERVES			
Issued share capital	14	2,075	2,075
Capital contribution reserve		12,111	12,111
Retained losses		(14,400)	(14,579)
Total attributable to equity holders of the parent		**(214)**	**(393)**

The financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2020 and are signed on its behalf by:

....

Director
M Ryan-Southern

The notes form part of the financial statements.

SAKE NO HANA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Issued share capital £'000	Capital contribution reserve £'000	Retained losses £'000	Total attributable to equity holders of parent £'000
Balance at 1 July 2018	2,075	12,111	(14,930)	(744)
Period ended 31 December 2018				
Profit after income tax expense	-	-	351	351
Balance at 31 December 2018	2,075	12,111	(14,579)	(393)
Year ended 31 December 2019				
Profit after income tax expense	-	-	179	179
Balance at 31 December 2019	2,075	12,111	(14,400)	(214)

The notes form part of the financial statements.

1 General information

Sake No Hana Limited is a private company limited by shares and is registered and incorporated in the United Kingdom. The principal activities of the Company is that of restaurant operation. The registered office is 3rd Floor Elsey House, 24-30 Great Tichfield Street, London, W1W 8BF.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts on the basis that the Company is a wholly-owned subsidiary of another Company incorporated inside the EEA and included in their consolidated accounts. These financial statements therefore present information about the Company as an individual undertaking and not about its Global Group.

2 Significant accounting policies

Basis of preparation

These financial statements have been prepared by applying the recognition and measurement requirements of the International Financial Reporting Standards as adopted by the EU ('IFRS'), amended where necessary to comply with the Companies Act 2006. The Company is a qualifying entity under Financial Reporting Standard 101 (FRS 101). These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

Comparative figures have been presented, unless there is an exemption to retrospective application required by IFRS 1 or the Director has taken advantage of any retrospective allocation permitted by IFRS 1.

The functional currency of Sake No Hana Limited is Pounds Sterling (£), which is also the currency of the primary economic environment in which the Company operates (functional currency). Monetary amounts in these financial statements are rounded to the nearest thousand £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The accounting reference period changed from a fiscal year end of 30 June to a calendar year end at 31 December 2018, resulting in a comparative period of six months. Accounts relating to the six month period to 31 December 2018 have been presented. This change was made to bring the reporting date in line with the parent entity's financial reporting date.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are mandatory for the current reporting period.

The following Accounting Standards and Interpretations are most relevant to the Company:

Amendments to IFRS 9: Prepayment Features with Negative Compensation

The IASB has issued these amendments to IFRS 9 *Financial Instruments* to aid implementation. The amendment allows companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met – instead of at fair value through profit or loss.

IFRS 16 Leases

During the year, the Company adopted IFRS 16 'Leases' (IFRS 16) for the first time. IFRS 16 replaces IAS 17 'Leases'. The Company previously split leases between 'finance leases' that transferred substantially all the risks and rewards incidental to ownership of the asset to the Company, and operating leases.

The main change on application of IFRS 16 is the accounting for 'operating leases' where rentals payable (as adjusted for lease incentives) were previously expensed under IAS 17 on a straight-line basis over the lease term.

2 Significant accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted (continued)

IFRS 16 Leases (continued)

Under IFRS 16 a right-of-use asset and a lease liability are recognised for all leases except 'low-value' and 'short' term leases where lease payments are recognised on a straight-line basis over the lease term. The accounting for leases previously accounted for as finance leases under IAS 17 has not changed substantially, except that residual value guarantees are recognised under IFRS 16 at amounts expected to be payable rather than the maximum amount guaranteed, as required by IAS 17. At 31 December 2018 and 2019, the Company has no items of property and equipment leased under finance leases.

The Company has applied IFRS 16 retrospectively to all leases, but has elected to recognise the cumulative effect against opening reserves at 1 January 2019. Therefore, the comparative figures are as previously reported under IAS 17. The Company has applied this approach subject to the transition provisions set out below:

- For all contracts that existed prior to 1 January 2019, the Company has not applied IFRS 16 to reassess whether each contract is, or contains, a lease;
- A single discount rate has been applied to portfolios of leases with similar characteristics;
- The right-of-use assets have not been assessed for impairment at 1 January 2019, but have been reduced by the amount of any onerous lease provisions at that date; and
- Initial direct costs have been excluded from the measurement of the right-of-use assets.

The hindsight practical expedient has not been applied and as such the Company has not re-evaluated the lease term for any existing leases as at 1 January 2019.

The amounts recognised for leases at 1 January 2019, have been measured as follows:

Operating leases under IAS 17, except 'low value' and 'short-term'

The lease liability is measured at the present value of the remaining lease payments at 1 January 2019, discounted at the lessee's incremental borrowing rate at that date.

The right-of-use asset is measured at the amount of the lease liability recognised in accordance with the measurement set out above, adjusted for accrued or prepaid operating lease payments at 1 January 2019.

'Low-value' leases

When the value of the underlying asset (if new) at 1 January 2019 is £5,000 or less, the Company has continued to recognise the lease payments associated with those leases on a straight-line basis over the lease term.

'Short-term' leases

Where the lease term is less than 12 months, the Company has continued to recognise the lease payments associated with those leases on a straight-line basis over the lease term.

Finance leases under IAS 17

The carrying amounts of the lease liability and right-of-use asset at 1 January 2019 are measured under IAS 17. IFRS 16 is applied thereafter.

The following accounting policies were applied to leases in the year ended 31 December 2018:

Leases

Leases were classified as finance leases when the terms of the lease transferred substantially all the risks and rewards of ownership to the Company. All other leases were classified as operating leases.

2 Significant accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted (continued)

IFRS 16 Leases (continued)

Assets held under finance leases were recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor was recognised as a finance lease obligation. Lease payments were apportioned between finance charges and the reduction of lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were charged directly to profit or loss, unless they were directly attributable to qualifying assets, in which case they were capitalised in accordance with the Company's policy on borrowing costs. Rentals payable under operating leases were expensed on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease (such as up-front cash payments and reimbursement of relocation costs or the cost of lease improvements) were also spread on a straight line basis over the lease term.

IFRIC 23 Uncertainty over Income Tax Treatments

An uncertain tax position would be recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. These uncertainties relate to the application of anti-conduit rules in relation to royalty payments between Global Group companies. The Company has no material uncertain tax positions.

Annual improvements to IFRSs (2015 – 2017 Cycle)

The following amendments have been made:
- IFRS 3 Business combinations – The amendments clarify that a company must remeasure its previously held interest in a joint operation when it obtains control of the business;
- IFRS 11 Joint Arrangements – The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of a business;
- IAS 12 Income taxes – Clarification that a company accounts for all income tax consequences of dividend payments in the same way (i.e. in the profit and loss, regardless of how the tax arose).
- IAS 23 Borrowing costs – Clarification that a company treats any borrowings originally made to develop an asset when the asset is ready for its intended use or sale, as part of general borrowings.

Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 31 December 2019, are as follows:

Conceptual Framework

The IASB has issued a revised Conceptual Framework for Financial Reporting (Conceptual Framework). The revised version introduces a number of new aspects compared to the previous version issued in 2010, specifically including:
- concepts on measurement, including factors to be considered when selecting a measurement basis;
- concepts on presentation and disclosure, including when to classify income and expenses in other comprehensive income; and
- guidance on when assets and liabilities are removed from financial statements.

It also updates:
- the definitions of asset and liability; and
- the criteria for recognising assets and liabilities in financial statements.

Finally it has clarified the guidance on prudence, stewardship, measurement uncertainty, and substance over form.

The amendment is effective for periods beginning on or after 1 January 2020. None of these items is deemed or expected to have any input on the Company. Furthermore, there are no new standards or interpretations that are deemed or expected to have an impact on the Company.

2 Significant accounting policies (continued)

Going concern

These financial statements have been prepared on the going concern basis. The Directors and management have plans and forecasts that show the Company, together with receipt of a letter of support from its parent company, Hakkasan Limited (the Global Group), will be able to continue as a going concern for at least a period of twelve months from the date of balance sheet approval. However, given the relationship between the company and its parent company, it is reliant not only on its parent's support, but on the parent and the Global group of which the company is a subsidiary of, maintaining sufficient working capital to support its activities.

At 31 December 2019, the Company had cash of $1,077k (2018: $797k), realised profit and total comprehensive income for the year of $179k (2018: $351k), net current liabilities of $1,026k (2018: $777k) and net liabilities of $214k (2018: $393k).

The impact of the coronavirus (COVID-19) pandemic on the Global Group, of which the company is a part of, and the resultant global economic uncertainties have been considered by the Directors of the Global Group who have undertaken a re-assessment of the cashflow forecasts covering a period of at least 12 months from the date of approval of these financial statements.

There is a risk that the Global Group will be impacted by customers and prospective customers deferring visiting the Global Group's properties. If sales and settlement of existing debts are not in line with cash flow forecasts, the Directors of the Global Group have identified cost savings associated with the reduction in revenues and have the ability to identify further cost savings if necessary, then additional funding may be required. While the Directors of the Global Group have no reason to believe that customer revenues and receipts will decline to the point that the Global Group no longer has sufficient resources to fund its operations, should this occur, the Global Group may need to seek additional funding beyond the facilities that are currently available to it through a placement of shares or source other funding, as well as making significant reductions in its fixed cost expenses and as such may not be able to provide financial support to the Company.

The Director of the Company has taken into consideration detailed cash flow forecasts for the Global Group and has concluded that a material uncertainty exists, which may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise it's assets and discharge liabilities in the normal course of business. The financial statements do not include the adjustments that would be required if the Company was unable to continue as a going concern.

Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each arrangement with a customer, the Company: identifies whether the arrangement meets the definition of a contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each performance obligation to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts or any other contingent events such as sales or usage-based royalties related to license of IP. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability. Whenever applicable, the Company applies the variable consideration allocation exception to recognise revenue for variable amount related to a distinct service that forms part of a single performance obligation.

The Company generates revenue from its owned venue in London and managed venue in Asia.

2 Significant accounting policies (continued)

Revenue recognition (continued)

Owned venues

Revenue from owned venue operations is the invoiced amount of goods and services, exclusive of service charges and Value Added Tax and other sales taxes, provided to customers during the period. Revenue is recognised at the point of service delivery to customers.

Managed venues

Revenue from managed venues is the consideration the Company receives for providing an integrated management service. Transaction consideration consists of a fixed fee and variable consideration. Fixed fee revenue is recognised on a straight-line basis over the contract term, while the variable consideration is allocated entirely to a distinct annual service that forms the single performance obligation - the management service. The contract term starts when pre-opening development service begins and ends when a specified operating period, typically 10 years, has been reached.

Upfront fees associated with the pre-opening services will be deferred and recognised over the initial contract term, starting upon the opening date of the venue. Related costs will be capitalised and amortised over the same period.

The Company's trade receivables are all related to the value of revenue receivable from contracts with customers.

The Company's contract liabilities balances are primarily related to advance payment for pre-opening development service made by customers upon signing a contract. The contract liabilities balance will typically be recognised in revenue within twelve to eighteen months.

The Company has taken the following practical expedients from IFRS 15:
- The Company need not adjust the promised amount of consideration for the effects of a significant financing component if the expectation is that, at contract inception, the period between when the Company transfers a promised service to a customer and when the customer pays for that service will be one year or less; and
- Recognising incremental costs of obtaining a contract as an expense when incurred if the amortisation period for the asset that would have otherwise been recognised would be one year or less.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

2 Significant accounting policies (continued)

Income tax (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Assets in the course of construction represent the direct costs associated with the construction of assets which have yet to open to the public. No depreciation is charged until the asset is ready for use and is subsequently transferred to the appropriate class of property and equipment or intangible asset.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property and equipment over their expected useful lives as follows:

Leasehold improvements	10% or period of space lease, if shorter
Equipment and machinery	3 to 5 years
Fixtures and fittings	5 years
Computer equipment	3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

2 Significant accounting policies (continued)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs.

Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other receivables

Trade receivables are initially measured at their transaction price.

Receivables are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these receivables are subsequently measured at amortised cost using the effective interest rate method, less any allowance for expected credit losses.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. For trade receivables, expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

Inventories

Raw materials are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable. Inventories are expensed in the same period revenue is recognized.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. No provisions or write-downs of inventory were deemed necessary at either 31 December 2019 or 2018.

Leases

The Group adheres to IFRS 16 which follows a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Right-of-use assets are measured similarly to other non-financial assets (such as property and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability. The depreciation would usually be on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. The initial lease asset equals the lease liability in most cases.

The lease asset is the right to use the underlying asset and is presented in the statement of financial position either as part of other assets, property and equipment or as its own line item.

2 Significant accounting policies (continued)

Cash

Cash includes cash on hand and deposits held at the bank.

Finance costs

All finance costs are expensed in the period in which they are incurred. All finance costs relate to building leases and totalled £60k for the year ended 31 December 2019 (see note 15).

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

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 to a separate entity. Once the contributions have been paid, the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

Value-Added Tax (VAT) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

3 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

3 Critical accounting judgements, estimates and assumptions (continued)

Revenue from management contracts and license of franchise rights

Revenue from managed and licensed venues is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control of the promised goods or services to the customer. When the transaction price includes a variable consideration, the Company has applied the variable consideration allocation exception to contracts of managed venues. The Company has also applied the royalty recognition constraint to sales-based royalty on licenses of intellectual property in contracts of licensed venues.

In situations where management contracts contains more than one performance obligation such as development of multiple entertainment venues, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices.

The Company's determination of the stand-alone selling price varies based on the type of venue, luxury level of brand name and geographic location of the venue. Generally, the stand-alone selling price for management services reflect the market prices.

Customers' payments for managed and licensed venue are quarterly or annually in arrears except for the advance payment related to pre-opening development. The Company recognises deferred revenue (contract liability) if consideration has been received (or has become receivable) before the Company transfers the promised goods or services to the customer. Deferred revenue mainly results from the advance payments in contracts of managed and licensed venues.

Deferred tax assets

The Company has substantial tax losses available for carry forward against future trading profits. In view of the quantum of these losses compared to the assessment of the quantum of future profitability in the near future and restrictions which may be placed on the availability of those losses (see note 7), no deferred tax asset has been recognised at this time.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation charges for its property and equipment (see note 8). The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Leases

The Company has applied judgement in applying the following transition provisions in IFRS 16:

- Determining whether leases have similar characteristics to apply a single discount rate.

A single discount rate has been applied to all leases on the basis that all relate to real estate and although the term varies from lease to lease, adjustments to the lease term does not materially affect the value of the lease liability. The Global Group's incremental borrowing rate is 5.75 percent per annum, which reflects the fixed rate at which the Company could borrow an amount similar to the value of the right-of-use asset, in the same currency.

4 Revenue

An analysis of the Company's revenue from contracts with customers is as follows:

	Year ended 31 December 2019 £'000	Period ended 31 December 2018 £'000
Disaggregation of major sources of revenue:		
Sale of goods	3,877	1,884
Rendering of services	228	353
	4,105	2,237
Disaggregation of major sources of revenue:		
Sale of food	2,769	1,326
Sale of beverage	1,097	547
Management fees	228	353
Other	11	11
	4,105	2,237
Disaggregation of revenue by geographical region:		
United Kingdom	3,877	1,884
Rest of the World	228	353
	4,105	2,237
Timing of revenue recognition – performance obligations satisfied:		
At a point in time	3,877	1,884
Over time	228	353
	4,105	2,237

IFRS 15 was adopted using the fully retrospective approach effective 1 July 2018 and, as such, comparatives reflect this within the Company's adoption of IFRS within the period. During the six month period ended on 31 December 2018, the Company recognised £(39)k in relation to performance obligations satisfied or partially satisfied in the previous accounting period as a result of contract modifications.

At 31 December 2019, the Company recognised £1k as a contract asset representing the transaction price allocated to performance obligations satisfied but not yelled billed to customers (31 December 2018 - £33k). At 31 December 2019, the Company recognised £0 as a contract liability representing the transaction price allocated to performance obligations that are unsatisfied (31 December 2018 - £0). This revenue is expected to be recognised within 1 to 10 years.

5 Expense by nature

The profit before tax is stated after charging:

	Note	Year ended 31 December 2019 £'000	Period ended 31 December 2018 £'000
Salary and payroll related expenses	6	1,482	719
General and administrative		235	256
Sales and marketing		131	59
Lease charges			
Lease expense	15	-	178
Other charges		701	164
		2,549	1,376

Audit fees are bore by the Global Group, Hakkasan Limited.

6 Employees

The average monthly number of persons (including Directors) employed during the period was:

	Year ended 31 December 2019 No.	Period ended 31 December 2018 No.
Operations	62	67

Their aggregate remuneration comprised of the following:

	Year ended 31 December 2019 £'000	Period ended 31 December 2018 £'000
Wages and salaries	1,360	662
Social security costs	94	48
Pension costs	28	9
	1,482	719

7 Taxation

	Year ended 31 December 2019 £'000	Period ended 31 December 2018 £'000
Analysis of tax charge (credit) for the period		
Current tax:		
UK corporation tax	-	-
Deferred tax:		
Origination and reversal of timing differences	2	-
Adjustments in respect of prior periods	(2)	-
Total deferred tax charge (credit)	-	-
Tax on profit from ordinary activities	-	-
Provision for deferred tax		
Movement in provision:		
Provision at start of period	-	-
Deferred tax charge for the period	-	-
Provision at end of period	-	-

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (December 2018: 19%) applied to profit before tax. The differences are explained below:

	Year ended 31 December 2019 £'000	Period ended 31 December 2018 £'000
Profit on ordinary activities before tax	179	351
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19%	34	67
Effects of:		
Fixed asset differences	1	-
Expenses not deductible for tax purposes	-	4
Transfer pricing adjustments	-	-
Adjustments to tax charge in respect of previous periods - deferred tax	(2)	-
Adjust closing deferred tax to average rate of 19%	173	176
Adjust opening deferred tax to average rate of 19%	(177)	(184)
Deferred tax not recognized	(29)	(64)
Total tax charge for the period	-	-

At 31 December 2019, the Company has unrecognised deferred tax assets for losses of £1.5M (December 2018: £1.4M). The deferred tax assets remain unrecognised due to uncertainty that the Company will have sufficient taxable profits of the right type in the right entities to utilise these deferred tax assets in the near future.

8 Property and equipment

	Leasehold improvements £'000	Equipment and machinery £'000	Fixtures and fittings £'000	Computer equipment £'000	Assets in the course of construction £'000	Total £'000
Cost						
At 1 July 2018	4,154	170	136	54	6	4,520
Additions	-	41	2	1	-	44
Disposals	(3,006)	-	-	-	-	(3,006)
At 31 December 2018	1,148	211	138	55	6	1,558
Depreciation						
At 1 July 2018	4,129	150	98	45	-	4,422
Provision for the period	3	6	7	5	-	21
Disposals	(3,006)	-	-	-	-	(3,006)
At 31 December 2018	1,126	156	105	50	-	1,437
Carrying amount						
At 31 December 2018	22	55	33	5	6	121
At 30 June 2018	25	20	38	9	6	98

8 Property and equipment (continued)

	Leasehold improvements £'000	Equipment and machinery £'000	Fixtures and fittings £'000	Computer equipment £'000	Assets in the course of construction £'000	Total £'000
Cost						
At 1 January 2019	1,148	211	138	55	6	1,558
Additions	29	6	35	30	6	106
Transfers	-	-	-	12	(12)	-
Disposals	-	-	(1)	-	-	(1)
At 31 December 2019	1,177	217	172	97	-	1,663
Depreciation						
At 1 January 2019	1,126	156	105	50	-	1,437
Provision for the period	4	20	16	7	-	47
Disposals	-	-	(1)	-	-	(1)
At 31 December 2019	1,130	176	120	57	-	1,483
Carrying amount						
At 31 December 2019	47	41	52	40	-	180
At 31 December 2018	22	55	33	5	6	121

9 Contract balances: liabilities and assets

	31 December 2019 £'000	31 December 2018 £'000
Contract liability reconciliation		
Opening balance	-	89
Transfer to revenue	-	(89)
Closing balance	-	-
Contract asset reconciliation		
Opening balance	33	-
Additions	1	33
Closing balance	34	33

10 Investments

The Company directly owns 100% of the ordinary share capital of Chrysan Limited, incorporated in England. Chrysan Limited is a non-trading company. The registered address of Chrysan Limited is 3rd Floor, Elsley House, 24-30 Great Titchfield Street, London, W1W 8BF.

The investment has been fully impaired to £0 in previous periods.

11 Trade and other receivables

	31 December 2019 £'000	31 December 2018 £'000
Trade receivables	87	53
Other receivables	49	49
Prepayments	93	169
	229	271

The Company's trade receivables are non-interest-bearing and generally paid within 50 days. The majority of trade receivables relate to customers making payments on credit cards, these debts are typically settled within 10 days. The Company holds no collateral with respect to these receivables.

12 Inventories

	31 December 2019 £'000	31 December 2018 £'000
Raw materials and consumables	110	111

There were no inventory write-downs in the current or previous periods shown. There is no significant difference between the replacement cost of raw materials and consumables and their carrying amounts.

13 Trade and other payable

	31 December 2019 £'000	31 December 2018 £'000
Trade payables	167	124
Amounts owed to Global Group undertakings	1,546	1,456
Other taxation and social security	216	195
Other payables	-	7
Accruals	240	207
	2,169	1,989

14 Capital and reserves

	31 December 2019 £'000	31 December 2018 £'000
a) Ordinary shares		
Authorised, issued and fully paid		
2,075,000 ordinary shares of £1 each	2,075	2,075

Ordinary shares have full voting rights and rank equally for dividends and return of capital on a winding up.

b) Reserves

Capital contribution reserve

Capital contribution reserve represents working capital from the previous owners forgiven.

Retained losses

Retained losses represent cumulative profits or losses, net of dividends paid and other adjustments.

15 Leases

With effect from 1 January 2019, the Company has adopted IFRS 16 Leases, which specifies how to recognise, measure, present and disclose leases. The Company has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On initial application, the Company recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17: Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's weighted average incremental borrowing rate as at 1 January 2019 of 5.75%. The Company has adjusted the right-of-use assets with any lease incentives available at the date of adoption of IFRS 16.

15 Leases (continued)

In applying FIRS 16 for the first time, the Company has taken advantage of a number of practical expedients available to it. These have been set out in note 2.

	Leased buildings £'000
Right-of-use assets	
At 1 January 2019	1,266
Depreciation	(316)
At 31 December 2019	950

All right-of-use assets (ROU) capitalised relate to space lease rentals.

	Leased buildings £'000
Lease liabilities	
At 1 January 2019	1,178
Lease payments	(350)
Interest expense	60
At 31 December 2019	888

The maturity of the gross contractual undiscounted cash flows due on the Company's lease liabilities is set out below based on the period between 31 December 2019 and the contractual maturity date:

	31 December 2019 £'000
Due in 1 year or less:	307
Due after 1 year but not more than 2 years	325
Due after 2 years but not more than 5 years	256
Due after 5 years	-
Total lease liabilities at 31 December 2019	888

Lease terms

The Company has a space lease rental used for its operations in the United Kingdom.

The Company has elected to account for lease and non-lease components together, for all asset classes. All property leases of the Company include non-lease components for common area maintenance activities provided by the lessor. As such, non-variable consideration in the lease contracts for both lease and non-lease components have been included in the Company's lease payments.

No variable lease payments dependent on an index or rate, purchase options, residual value guarantees or material lease incentives were noted in any of the Company's existing lease contracts.

The Company leases a number of low-value assets including IT equipment, kitchen equipment, and telephones. All leases are for 1 year or less for at fixed monthly rental rates.

15 Leases (continued)

Differences between the operating lease commitments disclosed at 31 December 2018 under IAS 17 discounted at the incremental borrowing rate at 1 January 2019 and lease liabilities recognised at 1 January 2019 are explained below:

	Operating lease commitments	Incremental borrowing rate	Discounted lease commitment	Lease liability recognised	Difference	Explanation for difference
	At 31 December 2018	At 1 January 2019				
	£'000	%	£'000	£'000	£'000	
Property space leases	1,266	5.75	88	1,178	-	
Equipment leases	128	-	-	-	128	All machinery leases have been deemed to be low value or short term and as such have not been capitalised under IFRS 16
Total	1,394	5.75	88	1,178	128	

16 Commitments

Capital commitments

At 31 December 2019, there were no significant capital expenditures contracted for at the end of the reporting period but not recognised as liabilities (31 December 2018: $0).

17 Ultimate parent company and controlling party

The Director regards the immediate parent company as Hakkasan Limited, which is registered and incorporated in England. Hakkasan Limited heads the smallest group into which the results and financial position of the Company are consolidated. Copies of the consolidated financial statements can be obtained from UK Companies House. Their registered address is 3rd Floor Elsley House, 24 – 30 Great Titchfield Street, London, England, W1W 8BF.

The Director regards Aabar Investments PJS, a private joint stock Company registered and incorporated in Abu Dhabi, UAE, as the ultimate parent company. The next parent of Hakkasan Limited which produces financial statements for public use is the International Petroleum Investment Company PJSC. The financial statements are available from their website: https://www.mubadala.com/en/investors.

The ultimate controlling party of the Group is Mubadala Investment Company Registered address: Al Sila Tower, Plaza Level - 2nd Floor on Al Maryah Island, Floors 16 and 22, Abu Dhabi, United Arab Emirates.

18 Post balance sheet events

The Company has evaluated subsequent events through the date on which the financial statements were issued.

The rapid emergence of the coronavirus pandemic has caused significant disruption to many businesses where the implementation of social distancing measures is not practical or deemed ineffective. This has had material implications for the wider global economy. As a business, owned and managed restaurants were closed from the middle of March 2020 impacting our workforce and our ability to full engage with our customers. Furthermore, this has had a significant impact on our revenues, costs, working capital and cash flows since this time.

In accordance with local laws and regulations, we have provided staff with the necessary personal protective equipment and increased spacing in in our spaces and communicated these changes to our customers. However, there is a risk that the Company will be impacted by decisions of our customers and delays in our ability to open our restaurants, which could affect the Company's working capital. The coronavirus pandemic was not a condition in existence at the period-end date therefore it is being a regarded as a non-adjusting subsequent event.