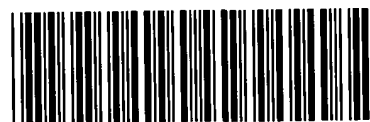


5 HERTFORD STREET LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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5 HERTFORD STREET LIMITED

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5 HERTFORD STREET LIMITED

COMPANY INFORMATION

Directors	Robin Marcus Birley Benjamin James Goldsmith (Resigned 2 November 2021) James Adam Reuben Clive Stuart Richardson Michele Caggianese (appointed 20 May 2021)
Company secretary	Bibi Rahima Ally
Registered number	06913368
Registered office	10 Norwich Street, United Kingdom London EC4A 1BD
Independent auditors	Soteriou Banerji Chartered Accountants 253 Gray's Inn Road London WC1X 8QT

5 HERTFORD STREET LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

The directors present their strategic report for the year ended 31 December 2020.

Principal activity

The principal activity of the Company is to provide management services to various entities which own and run a private members club at 2-5 Hertford Street.

Business review

This year to 31 December 2020 represents the eighth full year of operations for the club known as 5 Hertford Street. The directors continue to be pleased with the trading performance of the club. The club's trading activities are recorded in the seven trading companies which operate various areas of the club. 5 Hertford Street Limited receives management fees from each of these seven companies based on the marked-up value of their individual labour costs and allocated overhead expenditure.

Management fees decreased from £17,348,897 in 2019 to £13,501,176 in 2020.

The club continues to be extremely successful with a quality membership and a lengthy waiting list of individuals who have applied to become members that currently cannot be accommodated within the club. The club is proving very popular with the members with capacity being the limiting the factor.

The club maintains the highest standards and quality to ensure that members are provided with outstanding service in very comfortable surroundings. The club has continued to invest in improving the quality of the internal decoration, and the spaces available to members within the club.

Principal risks and uncertainties

In the normal course of business, the Company continually assesses significant risks faced and takes action to mitigate the potential impact.

The following risks, while not intended to be a comprehensive analysis, constitute (in the opinion of the board) the principle risks and uncertainty currently facing the Company.

Strategic Risks

Economic Risk

The Company aims to improve the member offering continually so that it remains competitive and an attractive place for members to visit. Adverse economic conditions can theoretically have an effect on the Company's performance although this is considered unlikely.

Commercial Risks

Cost Increases

Inflationary pressures on the Company's costs pose a risk to margins, although the Company has been able to achieve satisfactory arrangements with the suppliers, up until now, in what are considered difficult economic times. Further benefits have been achieved from the economies provided by the central preparation kitchen and new pastry kitchen.

Operational Risks

Health and Safety

The Company endeavours to ensure that all reasonable standards for health and safety are met, including a process by which risks are identified in a timely manner and remedied accordingly.

5 HERTFORD STREET LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Licencing and Planning

The sale of alcohol and cigars is a highly regulated operation and being located in the jurisdiction of Westminster County Council requires the Company to adhere to many rules and regulations. The loss of a licence or contravening terms of a licence could have a very detrimental effect on sales and profit.

The Company operates a series of internal controls to ensure that licence and planning conditions are adhered to and also retains professional advisors that regularly review procedures and monitor their performance.

Supply Chain Risks

The regular supply of fresh food, beverage products and service are fundamental to the successful operation of the club.

The Company works closely with its suppliers in order to maintain availability of products at all times and in many cases has a substitute supplier, should the preferred supplier be unable to supply the product required.

Financial Risks

Liquidity Risk

The Company has cash balances of £5,076,384.

The Company monitors cash flow forecasts on a weekly basis and endeavours to ensure that there are sufficient funds, including committed bank and finance lease facilities to meet its future business requirements.

The risks in this area relate to miscalculating cash flow requirements or a substantial drop in sales or membership renewals and the resultant drop in profits.

The Company's financial instruments at the balance sheet date comprised cash and bank facilities. 5 Hertford Street Ltd has a £1m overdraft facility. At the year end, £Nil of the overdraft had been utilised. At the year end, £5.99m of the £10m loan facility remained outstanding. The purpose of these financial instruments is to assist with the Company's operation.

Reputational Risk

The Company is aware that as it operates an exclusive members club and that it is crucial that the business reputation and service levels are never compromised. The Company, therefore, in its daily business monitors press coverage and continually reviews and improves operational controls.

Covid -19 and related business impact

The outbreak of the COVID-19 coronavirus pandemic and the measures adopted by governments in the UK and worldwide to mitigate the pandemic's spread have significantly impacted the Company since 16 March 2020. As consequence the Company activities have been significantly reduced in the financial year 2020 and they are still being impacted in 2021 with the end of covid restrictions and, indeed, of the pandemic still uncertain.

This report was approved by the board on 15 December 2021 and signed on its behalf.



Robin Marcus Birley
Director

5 HERTFORD STREET LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £236,783 (2019 - profit £266,701).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

Robin Marcus Birley
Benjamin James Goldsmith , resigned 2 November 2021)
James Adam Reuben
Clive Stuart Richardson

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

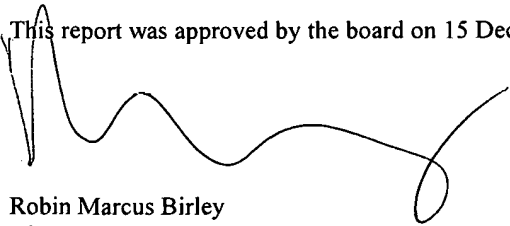
Post balance sheet events

Throughout 2020 and until to date the Covid-19 outbreak has had a significant impact on the activities of the Company. During 2021, the Company has experienced a reduction in trade since the restaurants were closed during the 'lockdown' period in the first quarter of the year. Since the reopening of outdoor trading from 12 April 2021, the Company has performed exceptionally well with high demand from members for its services. Since the further easing of Covid restrictions from 17 May 2021, the demands remain strong, the restaurant and bar are trading at capacity most nights of the week as a result. The impact on the Company's cash flow has been contained through the furloughing of staff and business rates exemption. The directors note that given that the club has access to £5 million of cash plus £1 million overdraft facilities, these ensure the Company's continuity and provides confirmation that it is appropriate to prepare the financial statements on a going concern basis.

Auditors

The auditors, Soteriou Banerji, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15 December 2021 and signed on its behalf.



Robin Marcus Birley
Director

5 HERTFORD STREET LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

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

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

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

5 HERTFORD STREET LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 5 HERTFORD STREET LIMITED

Opinion

We have audited the financial statements of 5 Hertford Street Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

5 HERTFORD STREET LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 5 HERTFORD STREET LIMITED
(CONTINUED)**

Opinion 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' 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 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 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 Company or to cease operations, or have no realistic alternative but to do so.

5 HERTFORD STREET LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 5 HERTFORD STREET LIMITED
(CONTINUED)**

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include operating licence and health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; comparing actual results with management accounts; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

5 HERTFORD STREET LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 5 HERTFORD STREET 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 Auditors' 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.



Robert Soteriou FCA (Senior Statutory Auditor)
for and on behalf of
Soteriou Banerji
Chartered Accountants
253 Gray's Inn Road
London
WC1X 8QT

15 December 2021

5 HERTFORD STREET LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	13,540,228	17,383,491
Cost of sales		(6,926)	(15,070)
Gross profit		13,533,302	17,368,421
Administrative expenses		(15,834,369)	(16,804,695)
Other operating income		2,237,600	-
Operating (loss)/profit	6	(63,467)	563,726
Interest payable and similar expenses	10	(199,509)	(227,828)
(Loss)/profit before tax		(262,976)	335,898
Tax on (loss)/profit	11	26,193	(69,197)
(Loss)/profit for the financial year		(236,783)	266,701

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 15 to 27 form part of these financial statements.

5 HERTFORD STREET LIMITED
REGISTERED NUMBER: 06913368

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	9,051,765	10,039,515
Investments	13	54,997	54,996
		<u>9,106,762</u>	<u>10,094,511</u>
Current assets			
Debtors: amounts falling due within one year	14	12,261,224	14,493,087
Cash at bank and in hand	15	5,076,384	1,431,217
		<u>17,337,608</u>	<u>15,924,304</u>
Creditors: amounts falling due within one year	16	(21,790,816)	(20,572,445)
Net current liabilities		<u>(4,453,208)</u>	<u>(4,648,141)</u>
Total assets less current liabilities		<u>4,653,554</u>	<u>5,446,370</u>
Creditors: amounts falling due after more than one year	17	(4,994,990)	(5,484,573)
Provisions for liabilities			
Deferred tax	18	(211,171)	(277,621)
		<u>(211,171)</u>	<u>(277,621)</u>
Net liabilities		<u>(552,607)</u>	<u>(315,824)</u>
Capital and reserves			
Called up share capital	19	11,000	11,000
Profit and loss account	20	(563,607)	(326,824)
		<u>(552,607)</u>	<u>(315,824)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 December 2021.


Robin Marcus Birley
 Director

The notes on pages 15 to 27 form part of these financial statements.

5 HERTFORD STREET LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	11,000	(593,525)	(582,525)
Comprehensive income for the year			
Profit for the year	-	266,701	266,701
At 1 January 2020	11,000	(326,824)	(315,824)
Comprehensive income for the year			
Loss for the year	-	(236,783)	(236,783)
At 31 December 2020	11,000	(563,607)	(552,607)

The notes on pages 15 to 27 form part of these financial statements.

5 HERTFORD STREET LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(236,783)	266,701
Adjustments for:		
Depreciation of tangible assets	1,669,062	1,183,439
Interest paid	199,509	227,828
Taxation charge	(26,193)	69,197
Decrease/(increase) in debtors	3,732,802	(2,500,567)
(Increase)/decrease in amounts owed by groups	(1,500,939)	4,432
Increase/(decrease) in creditors	800,038	(447,762)
Increase in amounts owed to groups	888,407	998,356
Corporation tax received/(paid)	86	(46,940)
Net cash generated from operating activities	5,525,989	(245,316)
Cash flows from investing activities		
Purchase of tangible fixed assets	(681,312)	(1,341,109)
Purchase of fixed asset investments	(1)	-
Net cash from investing activities	(681,313)	(1,341,109)
Cash flows from financing activities		
New secured loans	-	2,420,337
Repayment of loans	(1,000,000)	-
Interest paid	(199,509)	(227,828)
Net cash used in financing activities	(1,199,509)	2,192,509
Net increase in cash and cash equivalents	3,645,167	606,084
Cash and cash equivalents at beginning of year	1,431,217	825,133
Cash and cash equivalents at the end of year	5,076,384	1,431,217
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,076,384	1,431,217
	5,076,384	1,431,217

5 HERTFORD STREET LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	1,431,217	3,645,167	5,076,384
Debt due after 1 year	(5,484,573)	489,583	(4,994,990)
Debt due within 1 year	(1,510,417)	510,417	(1,000,000)
	<u>(5,563,773)</u>	<u>4,645,167</u>	<u>(918,606)</u>

The notes on pages 15 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

The Company is a Private Limited Company incorporated in England & Wales.

The address of its registered office is:
10 Norwich Street
London
EC4A 1BD

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Going concern

The going concern basis is considered to be appropriate as the Company's major liabilities are to connected parties. The connected parties have confirmed that they will not demand repayment of their loans in the foreseeable future.

Even with the impact of Covid-19, the directors note that given that the club has access to £5 million of cash plus £1 million overdraft facilities, these ensure the Company's continuity and provides confirmation that it is appropriate to prepare the financial statements on a going concern basis

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 Revenue

Turnover represents amounts chargeable, net of value added tax, in respect of management charges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Government grants

Due to the Covid-19 pandemic and the closure of businesses under UK Government legislation, the company utilised the Government support scheme of furlough whereby the Government contributed towards the wage costs of the business.

Income under this schemes is classified as a government grant and is accounted for under IAS 20 Government Grants. Such grants are recognised in the Income Statement in the period in which the associated costs for which the grants are intended to compensate are incurred. The grant income is reported as 'Other income' in the Statement of Comprehensive income.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

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

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

5 HERTFORD STREET LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.10 Current and deferred taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2.11 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold Improvements	-	5% Over the term of the lease
Plant and machinery	-	15% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	15% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Paintings and other similar items are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each painting every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

5 HERTFORD STREET LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.12 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.15 Creditors

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

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.17 Financial instruments

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an

5 HERTFORD STREET LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.17 Financial instruments (continued)**

enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

In the application of the Company'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 but nevertheless are inherent in the production of any set of accounts. These 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.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Product Sales	39,052	34,594
Management Charges, all UK	13,501,176	17,348,897
	<u>13,540,228</u>	<u>17,383,491</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Other operating income	2,237,600	-
	<u>2,237,600</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Operating (loss)/profit

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

	2020 £	2019 £
Exchange differences	(1,788)	16,251
Other operating lease rentals	1,241,372	1,166,014
Depreciation	1,669,062	1,183,439

7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	18,000	18,000

Fees payable to the Company's auditor and its associates in respect of:

All other services	7,000	7,000
	7,000	7,000

5 HERTFORD STREET LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	6,605,956	6,740,870
Social security costs	537,455	143,493
Cost of defined contribution scheme	147,839	48,550
	<u>7,291,250</u>	<u>6,932,913</u>

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

	2020 No.	2019 No.
Kitchen Staff	70	69
Administration and support	25	24
Food/catering staff	97	98
Sales	4	4
Other departments	42	42
	<u>238</u>	<u>237</u>

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	25,000	25,000
	<u>25,000</u>	<u>25,000</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	199,509	227,828
	<u>199,509</u>	<u>227,828</u>

5 HERTFORD STREET LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	40,257	12,364
Total current tax	<u>40,257</u>	<u>12,364</u>
Deferred tax		
Origination and reversal of timing differences	(66,450)	56,833
Total deferred tax	<u>(66,450)</u>	<u>56,833</u>
Taxation on (loss)/profit on ordinary activities	<u>(26,193)</u>	<u>69,197</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(262,976)</u>	<u>335,898</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(49,965)	63,821
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,366	857
Adjustments to tax charge in respect of prior periods	(11,254)	-
Adjust opening and closing deferred tax to average rate of 19.00%	32,661	4,519
Other rounding differences	(1)	-
Total tax charge for the year	<u>(26,193)</u>	<u>69,197</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2020	9,635,721	856,416	12,985	5,067,391	15,572,513
Additions	-	171,236	-	510,076	681,312
At 31 December 2020	9,635,721	1,027,652	12,985	5,577,467	16,253,825
Depreciation					
At 1 January 2020	3,096,407	542,478	12,985	1,881,128	5,532,998
Charge for the year on owned assets	527,042	230,060	-	911,960	1,669,062
At 31 December 2020	3,623,449	772,538	12,985	2,793,088	7,202,060
Net book value					
At 31 December 2020	6,012,272	255,114	-	2,784,379	9,051,765
At 31 December 2019	6,539,314	313,938	-	3,186,263	10,039,515

13. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 January 2020	-	54,996	54,996
Additions	1	-	1
At 31 December 2020	1	54,996	54,997

5 HERTFORD STREET LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Fixed asset investments (continued)

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Sicasa Limited	10 Norwich Street, London, EC4A 1BD	Ordinary	100%

14. Debtors

	2020	2019
	£	£
Trade debtors	640,934	3,520,779
Amounts owed by group undertakings	10,726,860	9,225,921
Other debtors	390,964	1,108,495
Prepayments and accrued income	502,466	637,892
	12,261,224	14,493,087

£44,250 (2019 -£547,580) of rent deposits is classified as non current. The rent deposits will be released upon the lease expiry or upon the time when the Company's net profits at least equal to three times the aggregate of all rents, service charge and insurance premium contributions for the years of account. The amount has not been discounted to its present value as the impact is not considered to be material.

15. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	5,076,384	1,431,217
	5,076,384	1,431,217

5 HERTFORD STREET LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
10,000 (2019 - 10,000) Ordinary Shares shares of £1.00 each	10,000	10,000
100,000 (2019 - 100,000) Deferred Shares shares of £0.01 each	1,000	1,000
	<u>11,000</u>	<u>11,000</u>

20. Reserves

Share capital

This represents the nominal value of shares that have been issued.

Profit and loss reserve

This includes all current and prior period retained profits and losses.

21. Capital commitments

At 31 December 2020 the Company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	666,580	-
	<u>666,580</u>	<u>-</u>

22. Pension commitments

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £147,839 (2019 - £48,550).

Contributions totalling £43,622 (2019 - £44,353) were payable to the scheme at the end of the year and are included in creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

23. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	1,279,621	1,479,620
Later than 1 year and not later than 5 years	4,591,642	4,769,895
Later than 5 years	6,284,320	7,425,440
	<u>12,155,583</u>	<u>13,674,955</u>

24. Related party transactions

The Company is controlled by the director R M Birley by virtue of his shareholding.

The following are amounts owed by/(to) the Company to/from the respective related party. They are related parties due to common control. They are interest free loans and are repayable on demand.

Special Events at 5 Hertford Street Limited - 2020 - (£1,630,989), 2019 - (£1,825,457)
Late Night Dining at 5 Hertford Street Limited - 2020 - £3,385,424, 2019 - £2,767,662
Bar at 5 Hertford Street Limited - 2020 - (£3,812,757), 2019 - (£3,865,571)
Retail at 5 Hertford Street Limited - 2020 - (£1,977,707), 2019 - (£1,749,798)
Restaurant at 5 Hertford Street Limited - 2020 - (£1,804,978), 2019 - (£796,814)
Upper Floors at 5 Hertford Street PLC - 2020 - £4,692,021, 2019 - £5,085,215
Private Dining at 5 Hertford Street Limited - 2020 - (£1,144,652), 2019 - (£1,245,036)
Winter Restaurants Limited - 2020 - £1,376,780, 2019 - £1,400,044
Sicasa Limited - 2020 - £387,176 (subsidiary company)

5 Hertford Street Limited's major shareholder, R M Birley, is also the major shareholder in Birley's Limited, RMB Associates Limited and all of the companies noted above.

During the year the company was charged management fees of £714,672 (2019: £1,033,004) by RMB Associates Limited, a company in which R M Birley is the majority shareholder. At the year end the company had a net liabilities/(assets) of (£295,893) (2019:£192,006) to RMB Associates Limited. During the year the company also made a loan to RMB Associates Limited of £445,000 and this figure is still outstanding.

At the year end the company was owed £Nil (2019:£212,416) from the director R M Birley.

J A Reuben, a director of the 5 Hertford Street Limited, is a trustee of the beneficial owner of the company's leasehold property. The rent paid during the year was £1,028,232 (2019: £1,009,160) and insurance £12,500 (2019-£14,436).

Management charges of £13,501,176 (2019: £17,348,897) were charged in the year in respect of administration services provided to the seven trading companies operating various areas of the club during the period.