

Ennismore Restaurants Holdings Limited

Directors' Report and Financial Statements

Year Ended

31 December 2018

Company Number 09361456

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Ennismore Restaurants Holdings Limited

Company Information

Directors	S Pasricha B S Russell
Registered number	09361456
Registered office	4th Floor 159 St. John Street London EC1V 4QJ
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Ennismore Restaurants Holdings Limited

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Ennismore Restaurants Holdings Limited

Directors' report for the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Principal activity

The principal activity of the company during the year was that of a holding company. The company also employs team members that oversee the restaurant operations of the company's subsidiaries.

Directors

The directors who served during the year were:

S Pasricha

C H B Oakshett (resigned 27 April 2018)

B S Russell (appointed 27 April 2018)

Ennismore Restaurants Holdings Limited

Directors' report (continued) for the Year Ended 31 December 2018

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

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

.....
S Pasricha
Director

Date: 27/9/19

Ennismore Restaurants Holdings Limited

Independent Auditor's report to the members of Ennismore Restaurants Holdings Limited

Opinion

We have audited the financial statements of Ennismore Restaurants Holdings Limited ("the company") for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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 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.

Conclusions relating to going concern

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

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

Ennismore Restaurants Holdings Limited

Independent Auditor's report to the members of Ennismore Restaurants Holdings Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Ennismore Restaurants Holdings Limited

Independent Auditor's report to the members of Ennismore Restaurants Holdings Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities section, 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.

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 at the Financial Reporting Council'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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark RA Edwards (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 30/09/2019

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

Ennismore Restaurants Holdings Limited

Statement of comprehensive income for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	177,281	-
Administrative expenses		(350,581)	(587,485)
Exceptional administrative expenses	5	(1,437,441)	-
Other operating income	6	-	15,000
Operating loss	7	(1,610,741)	(572,485)
Interest receivable and similar income	9	91,829	71,724
Interest payable and similar charges	10	(209,500)	(138,885)
Loss before tax		(1,728,412)	(639,646)
Tax on loss	11	54,959	126,507
Loss for the financial year		(1,673,453)	(513,139)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(1,673,453)	(513,139)

All amounts relate to continuing operations.

The notes on pages 9 to 22 form part of these financial statements.

Ennismore Restaurants Holdings Limited

Registered number: 09361456

Statement of financial position as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	6,162	11,853
Investments	13	4	175,004
		<u>6,166</u>	<u>186,857</u>
Current assets			
Debtors	14	990,465	2,319,211
Cash at bank and in hand		41,521	15,898
		<u>1,031,986</u>	<u>2,335,109</u>
Creditors: amounts falling due within one year	15	(3,482,986)	(3,293,207)
Net current liabilities		<u>(2,451,000)</u>	<u>(958,098)</u>
Total assets less current liabilities		<u>(2,444,834)</u>	<u>(771,241)</u>
Deferred tax	16	-	(140)
Net liabilities		<u><u>(2,444,834)</u></u>	<u><u>(771,381)</u></u>
Capital and reserves			
Share capital	17	10	10
Accumulated losses	18	(2,444,844)	(771,391)
		<u><u>(2,444,834)</u></u>	<u><u>(771,381)</u></u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


S Pasricha
Director

Date: 27/9/19

The notes on pages 9 to 22 form part of these financial statements.

Ennismore Restaurants Holdings Limited

Statement of changes in equity for the Year Ended 31 December 2018

	Share capital	Accumulated losses	Total equity
	£	£	£
At 1 January 2018	10	(771,391)	(771,381)
Comprehensive loss for the year			
Loss for the year	-	(1,673,453)	(1,673,453)
At 31 December 2018	10	(2,444,844)	(2,444,834)

Statement of changes in equity for the Year Ended 31 December 2017

	Share capital	Accumulated losses	Total equity
	£	£	£
At 1 January 2017	1	(258,252)	(258,251)
Comprehensive loss for the year			
Loss for the year	-	(513,139)	(513,139)
Shares issued during the year	9	-	9
At 31 December 2017	10	(771,391)	(771,381)

The notes on pages 9 to 22 form part of these financial statements.

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

1. General information

Ennismore Restaurants Holdings Limited is a private limited company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is stated on the company information page and the nature of the company's operations and its principal activities are stated in the directors' report.

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 United Kingdom 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 judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Ennismore Holdings Limited as at 31 December 2018 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

2.3 Going concern

At the reporting date, the company had net current liabilities of £2,451,000. Ennismore International Management Limited, a member of the Ennismore group, has committed to provide funding to the company to ensure it can meet its financial liabilities as they fall due and has confirmed it will not recall the loan within 12 months of the date of approval of these financial statements. On this basis, the directors have concluded it is appropriate to prepare the financial statements on a going concern basis.

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 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:

Computer equipment	-	20%
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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 the statement of comprehensive income.

2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 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.

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price.

Other financial liabilities are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost using the effective interest rate method.

2.11 Cash settled share-based payments

The company issues cash settled share-based payments to certain employees of the company's sister company, Ennismore International Management Limited. The cost of cash-settled share based payments is measured at fair value. Fair value is estimated initially at the grant date and at each balance sheet date thereafter until the awards are settled. During the period between grant date and expected vesting date, a liability is recognised representing the estimated fair value of the award and the portion of the vesting period expired as at the balance sheet date.

2.12 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 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.

2.13 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

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

In preparing these financial statements, the directors have had to make the following judgements:

- **Recoverability of amounts due from group undertakings**
Provision for impairment of the carrying value of amounts due from group undertakings, is based on management's estimate of the prospect of recovering the amounts due, which includes the solvency of the counterparty and its future outlook, based on budgets and forecasts prepared by management.
- **Impairment of investment in subsidiaries**
Determining whether the company's investments in its subsidiaries have been impaired requires estimations of the value in use of these investments. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investments and a suitable discount rate in order to calculate the present value. The carrying amount of investments in subsidiaries at the reporting date was £4 (2017 - £175,004) with £950,000 recognised as an impairment loss during 2018 (2017 - £Nil).

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 12)**
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

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

	2018 £	2017 £
Management services fee recharge	177,281	-

All turnover arose within the United Kingdom.

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

5. Exceptional items

	2018 £	2017 £
Impairment of loan receivable	512,441	-
Impairment of investment	925,000	-
	<u>1,437,441</u>	<u>-</u>

Exceptional items relate to the impairment of the loan due from and the investment in Breddos Restaurants Limited. See notes 13 and 19.

6. Other operating income

	2018 £	2017 £
Management fee recharge	<u>-</u>	<u>15,000</u>

7. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	6,061	1,349
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>1,050</u>	<u>1,000</u>

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

8. Employees

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	281,565	460,839
Social security costs	31,814	45,407
Cost of defined contribution scheme	3,727	-
	<u>317,106</u>	<u>506,246</u>

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

	2018 No.	2017 No.
	<u>6</u>	<u>7</u>

The directors receive no remuneration from this company (2017 - £Nil).

9. Interest receivable and similar income

	2018 £	2017 £
Interest receivable from group companies	<u>91,829</u>	<u>71,724</u>

10. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	-	14
Interest payable to group companies	209,500	138,871
	<u>209,500</u>	<u>138,885</u>

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

11. Taxation

	2018 £	2017 £
Corporation tax		
Adjustments in respect of previous periods	(303)	(6,678)
Group taxation relief receivable	(54,516)	(119,969)
Total current tax	(54,819)	(126,647)
Deferred tax		
Origination and reversal of timing differences	(175)	140
Adjustments in respect of prior periods	35	-
Total deferred tax	(140)	140
Taxation on loss on ordinary activities	(54,959)	(126,507)

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

11. Taxation (continued)

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	(1,728,412)	(639,646)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	(328,398)	(123,132)
Effects of:		
Expenses not deductible for tax purposes	273,113	3,299
Adjustments to tax charge in respect of prior periods	(303)	(6,678)
Adjustments to deferred tax charge in respect of previous periods	35	-
Adjust deferred tax due to change in rates	81	4
Deferred tax not recognised	513	-
Group relief surrendered	54,516	119,969
Receipt for group relief	(54,516)	(119,969)
Total tax credit for the year	(54,959)	(126,507)

Factors that may affect future tax charges

From 1 April 2020 the main rate of UK corporation tax will decrease to 17%. Deferred tax has therefore been recognised at 17% as at 31 December 2018. For further information on deferred tax balances see note 16.

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

12. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2018	13,202
Additions	370
At 31 December 2018	<u>13,572</u>
Depreciation	
At 1 January 2018	1,349
Charge for the year	6,061
At 31 December 2018	<u>7,410</u>
Net book value	
At 31 December 2018	<u><u>6,162</u></u>
At 31 December 2017	<u><u>11,853</u></u>

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

13. Investments

	Investments in subsidiary companies £
Cost	
At 1 January 2018	175,004
Additions	750,000
At 31 December 2018	925,004
Impairment	
Charge for the period	925,000
At 31 December 2018	925,000
Net book value	
At 31 December 2018	4
At 31 December 2017	175,004

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Egg Break Limited	Operation of a restaurant	Ordinary	100%
Tandoor Chop House Limited	Operation of a restaurant	Ordinary	100%
Breddos Restaurants Limited	Operation of a restaurant	Ordinary	65%

The registered office of the above listed subsidiary undertakings is 4th Floor, 159 St. John Street, London, EC1V 4QJ.

On 21 March 2018 the company increased its investment in Breddos Restaurants Limited from 50% to 65% for consideration of £750,000.

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

14. Debtors

	2018 £	2017 £
Trade debtors	-	27,924
Amounts owed by group undertakings	989,027	2,291,287
Other debtors	1,438	-
	<u>990,465</u>	<u>2,319,211</u>

Included within amounts owed by group undertakings is a balance of £762,911 which is interest bearing at a fixed rate of interest between 4% and 6%, is unsecured and is repayable on demand.

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	530	3,225
Amounts owed to group undertakings	3,446,700	3,245,648
Other taxation and social security	33,906	39,902
Other creditors	115	1,482
Accruals and deferred income	1,735	2,950
	<u>3,482,986</u>	<u>3,293,207</u>

All amounts owed to group undertakings are interest bearing at a fixed rate of interest between 4% and 6%, are unsecured and are repayable on demand.

16. Deferred taxation

	2018 £	2017 £
At beginning of year	(140)	-
Charged to profit or loss	140	(140)
At end of year	<u>-</u>	<u>(140)</u>

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	-	(140)

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

17. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
9,510 Ordinary shares of £0.001 each	10	10
490 'B' Ordinary shares of £0.001 each	-	-
	<u>10</u>	<u>10</u>

As at 31 December 2018, 100% of the A Ordinary shares representing 95% of the ordinary share capital is held by Ennismore Holdings Limited. The remaining 5% of the ordinary share capital is represented by B Ordinary shares issued to certain employees. The B Ordinary shares do not hold voting rights, but are entitled to receive dividends. Dividends may be declared in respect of one class of shares but not the other. The rights of the B shares are further set out in the Articles of Association of the company available from Companies House.

18. Reserves

Share capital

Share capital represents the nominal value of the shares issued.

Accumulated losses

This represents cumulative profits or losses net of dividends paid and other adjustments.

19. Related party transactions

The company has taken advantage of the exemption conferred by financial reporting standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with certain group companies on the grounds that 100% of the voting rights in the company are controlled by the group.

The company is related to Breddos Restaurants Limited by virtue of the 65% (2017 - 50%) shareholding held in that entity. During the year the company converted £750,000 of an outstanding loan with Breddos Restaurants Limited into equity, details of which can be found in note 13.

At 31 December 2018, a decision was made to impair the outstanding loan due from Breddos Restaurants Limited as management were of the opinion that this balance was no longer recoverable. Prior to the impairment the company was owed £512,441 (2017 - £1,127,103) by Breddos Restaurants Limited arising from financing provided by the company to Breddos Restaurants Limited and interest thereon. Interest of £33,571 (2017 - £20,604) was charge prior to the impairment.

The company is related to Ennismore International Management Limited, a company registered in England and Wales, by virtue of common control. At 31 December 2018 the company owed £3,446,700 (2017 - £3,237,199) to Ennismore International Management Limited, arising from financing provided to the company by Ennismore International Management Limited and interest thereon. Interest of £209,500 (2017 - £138,885) arose on the outstanding balance during the year.

Additionally, the company was owed £11,058 (2017 - owed to £8,449) in respect of costs recharged to Ennismore International Management Limited during the period.

The company was due £183,010 (2017 - £182,862) from Ennismore International Management Limited at 31 December 2018 as a result of group relief surrendered.

Ennismore Restaurants Holdings Limited

Notes to the financial statements for the Year Ended 31 December 2018

20. Controlling party

At 31 December 2018, the company is an immediate subsidiary of Ennismore Holdings Limited, a company registered in England and Wales.

The largest and smallest group in which the results of Ennismore Restaurants Holdings Limited are consolidated is that headed by Ennismore Holdings Limited. The consolidated accounts of Ennismore Holdings Limited are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3VZ.

In the opinion of the directors, the ultimate controlling party is Sharan Pasricha.