
GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 MARCH 2019

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GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

COMPANY INFORMATION

Directors	V Lord (resigned 28 February 2020) S J Walker T Dhaliwal (appointed 16 September 2020) A Griffin (appointed 5 May 2020, resigned 16 September 2020)
Registered number	09696503
Registered office	4th Floor Ridgefield House John Dalton Street Manchester M2 6JR
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Royal Liver Building Liverpool L3 1PS
Bankers	HSBC Bank Plc 2-4 St Ann's Square Manchester M2 7HD
Solicitors	DLA Piper UK LLP 1 St Peter's Square Manchester M2 3DE

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

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GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 30 MARCH 2019

Introduction

Gino D'Acampo Worldwide restaurants Limited comprises 5 upmarket Italian restaurants by Italian chef, Gino D'Acampo. The company mission is to open further restaurants both owned and in partnership with other operators in the hospitality sector. Gino D'Acampo with his ever-increasing international reach plans to open restaurants on a worldwide basis.

Business Review

Performance

Despite the well reported difficulties in the casual dining sector in recent years, with upward pressure on all cost lines, increased consumer nervousness and over supply created by years of acquisition led growth the board is pleased with the resilient performance:

- Sales for the year were £12.4m (2018: £9.4m)
- Gross margin of 72.4% (2018: 71.5%)
- Adjusted Restaurant EBITDA of £2.0m (2018: £1.3m)
- Adjusted Company EBITDA £0.5m (2018: £0.6m)
- Adjusted Operating loss of £0.2m (2018: £0.2m)

* Adjusted numbers exclude Exceptional administrative expenses, pre-opening costs and costs relating to a site subsequently closed.

Sales for the period increased year on year by £3.0m to £12.4m (2018: £9.4m) primarily driven by 4 months additional trading. Underlying numbers were broadly in line with the comparable period last year.

Gross margin of 72.4% (2018: 71.5%). Despite significant input cost pressures across the board we continue to drive efficiency and mitigate what would otherwise be a greater reduction in margin through our central facilities such as in-house bakery and desserts. Our direct buying, storage and distribution facility has allowed us to go direct to producers where possible not only delivering better pricing but quality and provenance too.

The performance above results in a loss before taxation of £2.9m (2018: £0.6m). This result includes goodwill amortisation and depreciation of £0.7m (2018: £0.4m), interest of £0.6m (2018: £0.4m) and exceptional administrative expenses, pre-opening costs and costs relating to a site subsequently closed of £2.0m (2018: £0.3m).

Group structure

Post year end Gino D'Acampo Worldwide restaurants became part of the Individual Restaurants Group, the upmarket restaurant group with a collection of Italians and Grills including Piccolino, Restaurant Bar and Grill, Opera Grill and Bank Restaurant and Bar.

The Group is part owned and run by Gino's friend and business partner Steven Walker who has been providing services to Gino's restaurant business since the launch.

The newly formed structure will allow Gino to call on skill and resource as he embarks on a new growth plan.

New openings

Post the year end we opened a flagship Gino D'Acampo in Birmingham. The restaurant has been a massive hit and continues to trade ahead of expectations.

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2019**

Online, premium delivery and collection from restaurants

We launched our own premium collection & delivery service (ginodacampo2go.com) using our own technology linked to our Club Individual APP, order, pay and delivery service.

The business goes from strength to strength, and with the changing consumer behaviour towards online it will be a further focus for our growth in the future. Having our own system means we do not have to share our margin.

Premium and well positioned

Our mission is to be the best Italian in town. We have been moving our offer to more premium which has separated us from the troubled mainstream pack. We offer all day, every day dining with our focus on delivering outstanding guest service. Our staff retention is industry leading which has played an important role in our service standards. In recent years we have invested heavily in outside spaces as the demand for stylish outside dining has never been stronger.

Covid19

As for all of us in the sector lockdown was a painful and worrying time. Since re opening sales and profits have exceeded our expectations. The size of our restaurants has allowed us to meet demand even with strict social distancing & dine safe measures in place.

Our priority remains the safety of our team and guests.

As we look to the winter with this second wave of the virus and restrictions imposed on eating out, there are challenging and uncertain times ahead.

However, we are ready to weather the storm with the same resilience the business has delivered in lockdown, re-opening and performing to date.

Our growth strategy remains the same as we look for more partnerships to open restaurants on a worldwide basis.

Principal risks and uncertainties

The company's financial instruments comprise related party borrowings, cash and various items, such as trade debtors and trade creditors, which arise directly from its operations. The main purpose of these financial instruments is to finance the cost of the company's operations. The Board of directors regularly reviews the financial requirements of the company and the risks associated therewith. The main risks arising from the company's financial instruments are as follows:

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Information in relation to the borrowings of the company is set out in notes 16 and 17.

Credit risk

The company's principal financial assets are cash and related party debtors. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit ratings agencies. The credit risk associated with trade debtors is also limited given their insignificant value.

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2019

Financial key performance indicators

The Board focuses on the following as its key financial performance indicators:

	2019	2018
Gross margin %	72.4%	71.5%

Gross margins are reconciled at least monthly between standard and actual and all significant variances are investigated.

Wages are reviewed weekly and corrective action taken real time as soon as adverse variances become apparent.

The Board also review like for like sales and monitor performances against budget on a site by site basis.

Other key performance indicators

The Board believes the success of a restaurant is determined by the quality of its people, food, customer service and cleanliness. Sites are ranked on a monthly basis depending on their relative performance against other sites in each area of non-financial performance. The results of the mystery diner visits, internal food audits, cleanliness audits and the people grading system form the basis of these rankings. The sites with the most consistent good performance in each area are rewarded and likewise sites that are consistently poor performers are critically reviewed and corrective action taken.

Risk factors

The Board of Directors continually identify, monitor and manage potential risks and uncertainties to the Company. The List below sets out what the directors consider to be the current principal business risks and uncertainties. This list is not presumed to be exhaustive and by its nature is subject to change.

- Increase in price of key raw materials e.g. the duty uplift on alcohol and protein price uplifts resulting from the increase in animal food costs and increase in wages (national minimum wage uplift) would impact the level of costs. Wherever possible, long term, fixed rate contracts are entered into with major suppliers to mitigate the risk of price rises.
- Breakdown in internal control due to due to fraud and error. Financial controls are designed and implemented to minimise the risk of material fraud and error.
- The current and on-going impact of Covid19 represents a significant risk to the business as detailed elsewhere in these financial statements.

This report was approved by the board on 6/10/2020

and signed on its behalf.



S J Walker
Director

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 MARCH 2019

The directors present their report and the financial statements for the period ended 30 March 2019..

Results and dividends

The loss for the period, after taxation, amounted to £2,927,561 (2018 - loss £529,892).

These accounts are prepared for the 12 month period, from 1 April 2018 to 30 March 2019.

The directors did not propose a dividend in 2019 or 2018.

Principal activity

The principal activity of the company is that of operating licensed restaurants.

Directors

The directors who served during the period were:

V Lord (resigned 28 February 2020)

S J Walker

A Griffin (appointed 5 May 2020, resigned 16 September 2020)

T Dhaliwal (appointed 16 September 2020)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2019**

Going concern

The company, together with the entire Casual Dining Sector in general, is facing a very difficult trading environment. The difficult trading environment has worsened considerably since the balance sheet date, exacerbated by Covid19 and lockdown and is only being helped by the unprecedented levels of government supports through "eat out to help out", furlough and other forms of intervention and time to pay arrangements.

The Directors have reviewed trading and cash flow forecasts as part of their going concern assessment which take into account uncertainties in the current sector operating and macro-economic environment. The Directors are aware that there are multiple material uncertainties that are facing the business, which can be broken down into two main areas as follows:

Uncertainties over future financial support

- **Bank funding** – The company currently has its facilities with HSBC Bank plc and has breached covenants since the year-end but formal waivers have been received. The bank have agreed short-term facilities to allow the company to open its entire estate post lockdown. However the Directors are currently in discussion with the bank, who remain supportive, to agree a longer term funding package with them.
- **Shareholder support** – The 3 major shareholders continue to support the company through loans into the business. The Directors are currently in dialogue with those shareholders alongside the bank discussions to put together a package that secures the long-term viability of the 3 Brands now within the wider Group.
- **HMRC support** – As part of the government funding announced during the Covid19 crisis the company has deferred payments to HMRC and is still in dialogue to agree a payment plan which is achievable based upon the future forecast cash generation of the company.
- **Unsecured Creditor support** – The Directors have obtained or are in the process of obtaining support from its major suppliers and the majority of its landlords to defer or waive payments. Not all of these agreements are complete or are agreed formally in writing at the point of issuing these financial statements.

Uncertainties over future demand

- **Post lockdown trading / Eat out to help out – trading** – As of issuing this report all of the company's restaurants are now open. Trading post lockdown even when stripping out the governments eat out to help out campaign has not only been ahead of prior year performance but also the base case forecasts prepared for the going concern assessment and bank/shareholder funding exercise. The government support during August was well received and gave a welcome boost to performance. Sales in September have again been ahead of prior year and the base case forecasts. However the levels of trading post September 2020 remain unknown. The forecasts used to support the bank and shareholder funding application average out at 80% of previously normal sales. The Directors remain confident of being able to achieve this but there is no external data available to support this assertion.
- **Impact of a second spike and local lockdowns** – Whilst the Directors have plans to cope with the impact of local lockdowns at individual site level another national lockdown or large regional lockdown (specifically involving Greater Manchester given the concentration of sites in this area) would have a significant impact on revenue and cash generation. The impact of such a scenario, whilst possible, has not been modelled but would undoubtedly cause the Board to review its overall strategy.

The Directors have an ongoing dialogue with their principal bankers and shareholders and are confident that discussions will result in the business having sufficient facilities similar to existing terms. The Directors are also continuing to discuss strategic options with its 3 major shareholders with regard to their continued support for the wider Group. The Directors are also continuing to work closely with its other secured and unsecured creditors some of whom have formally and informally agreed to reduce/defer payments until there is sufficient cash flows generated by the Group to make those payments.

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2019**

The Directors have instigated measures to preserve cash, by reducing discretionary costs and restricting capital expenditure to where absolutely necessary.

The Directors have concluded that a combination of these circumstances represent a material uncertainty which may cast significant doubt on the Company and Group's ability to continue as a going concern and therefore it may be unable to realise its assets or discharge its liabilities in the normal course of business.

As noted above the Directors have taken action, where possible, to obtain evidence of continuing support of the Group's bankers, secured and unsecured creditors (including HMRC, landlords and principal suppliers) and shareholders taking into account the recent forecasts and the expected assets of the Group in the long term. However in the circumstances and given time constraints the Directors have been unable to obtain sufficient and appropriate evidence to fully support the overall conclusion given the nature of the risks identified above. Nevertheless after making enquiries, and considering the matters described above, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue to operate for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing these financial statements. If the adoption of the going concern basis was inappropriate, adjustments which it is not practicable to quantify, would be required to write down assets to their recoverable value, to reclassify fixed to current assets and to provide for any additional liabilities that may arise.

Qualifying third party indemnity provisions

Insurance policies are in place that indemnify the Directors against liability when acting for Gino D'acampo Worldwide Restaurants Limited.

Post balance sheet events

On 29 August 2019 a transaction took place which transferred the company into a new group for which the parent company is Individual Restaurants Group Limited.

Refinancing

On 29th August 2019, Individual Restaurants Group Limited (the ultimate parent undertaking of the company) completed a refinancing of the existing group banking facilities.

Covid19

The current global Covid-19 pandemic has hit the hospitality sector hard and all restaurants were closed from 20 March 2020 to 4 July 2020 (with trading impacted from late January 2020). While early signs on post lockdown trading have been positive, as with other entities in the sector, the financial cost of the pandemic has had a significant impact on the business and the Board of Directors are carefully monitoring the situation and following directives issued by government authorities.

The Directors have determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results for the period ended 30 March 2019 have not been adjusted to reflect their impact.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2019

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

This report was approved by the board on 6/10/2020 and signed on its behalf.



S J Walker
Director



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GINO D'ACAMPO WORLDWIDE
RESTAURANTS LIMITED**

Disclaimer of opinion

We have audited the financial statements of Gino D'Acampo Worldwide Restaurants Limited (the 'company') for the period ended 30 March 2019, 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).

We do not express an opinion on the accompanying financial statements of the Group. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The current global pandemic due to the Covid19 virus has hit the hospitality sector significantly across the globe. As with other entities in the sector the business was completely closed from early March and has commenced limited openings in line with UK government guidance on 4 July 2020. Whilst early signs have been positive we are unable to obtain sufficient audit evidence in respect of future revenues, never-mind gauging the impact of a second spike on site openings.

There are multiple uncertainties affecting the company which are in relation to two areas of the future financial support and the future demand. As at the date of our report, management are still in the process of obtaining the necessary funding to secure the future of the company. This funding includes support from HSBC Bank plc (under the government loan support scheme) along with additional support from the shareholders. Additionally, as part of the recovery plan the company is reliant on the continued support of its suppliers, landlords and other stakeholders to continue to support the business through deferred payment plans. Whilst some of these are in place we have not been able to obtain sufficient appropriate audit evidence to conclude on this matter given the conversations are still ongoing.

As a result of these multiple uncertainties (as further disclosed in the basis of preparation paragraph within note 2.2) we are unable to determine whether the going concern basis of preparation is appropriate and the adjustments that might be necessary should that basis not be appropriate. If not appropriate those adjustments could impact the elements making up the statement of comprehensive income, balance sheet, statement of changes in equity and statement of cash flows.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED (CONTINUED)

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

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.

Opinion on other matters prescribed by the Companies Act 2006

Because of the significance of the matters described in the basis for disclaimer opinion section of our report, we have been unable to form an opinion, whether 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 period 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GINO D'ACAMPO WORLDWIDE
RESTAURANTS LIMITED (CONTINUED)**

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit subject to the pervasive limitation described above, we have not identified any material misstatements in the strategic report or directors' report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 4, 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.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GINO D'ACAMPO WORLDWIDE
RESTAURANTS LIMITED (CONTINUED)**

Use of our report

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

Grant Thornton UK LLP

Carl Williams (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Liverpool
Date: 6/10/2020

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 MARCH 2019

	Note	2019 £	8 months to 31 March 2018 £
Turnover - continuing operations	4	12,421,429	9,362,011
Cost of sales		(3,426,368)	(2,663,624)
Gross profit		8,995,061	6,698,387
Administrative expenses		(10,218,916)	(6,890,782)
Exceptional administrative expenses	10	(1,050,713)	-
Operating loss	5	(2,274,568)	(192,395)
Interest payable and expenses	8	(621,702)	(368,788)
Loss before tax		(2,896,270)	(561,183)
Tax on loss		(31,291)	31,291
Loss for the financial period		(2,927,561)	(529,892)

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 17 to 37 form part of these financial statements.

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED
REGISTERED NUMBER:09696503

BALANCE SHEET
AS AT 30 MARCH 2019

	Note	30 March 2019 £	31 March 2018 £
Fixed assets			
Intangible assets	11	381,374	133,922
Tangible assets	12	7,722,596	8,598,760
		<u>8,103,970</u>	<u>8,732,682</u>
Current assets			
Stocks	13	219,579	197,533
Debtors due after more than 1 year	14	193,000	100,000
Debtors	14	1,232,893	1,737,475
Cash at bank and in hand	15	332,135	517,388
		<u>1,977,607</u>	<u>2,552,396</u>
Creditors: amounts falling due within one year	16	<u>(12,112,549)</u>	<u>(3,361,175)</u>
Net current liabilities		<u>(10,134,942)</u>	<u>(808,779)</u>
Total assets less current liabilities		<u>(2,030,972)</u>	<u>7,923,903</u>
Creditors: amounts falling due after more than one year	17	(2,423,385)	(9,450,699)
Net liabilities		<u><u>(4,454,357)</u></u>	<u><u>(1,526,796)</u></u>
Capital and reserves			
Called up share capital	21	100	100
Profit and loss account	22	(4,454,457)	(1,526,896)
		<u><u>(4,454,357)</u></u>	<u><u>(1,526,796)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6/10/2020



S J Walker
Director

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 MARCH 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 August 2017	100	(997,004)	(996,904)
Comprehensive income for the period			
Loss for the period	-	(529,892)	(529,892)
Total comprehensive income for the period	-	(529,892)	(529,892)
At 1 April 2018	100	(1,526,896)	(1,526,796)
Comprehensive income for the period			
Loss for the period	-	(2,927,561)	(2,927,561)
Total comprehensive income for the period	-	(2,927,561)	(2,927,561)
At 30 March 2019	100	(4,454,457)	(4,454,357)

The notes on pages 17 to 37 form part of these financial statements.

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 MARCH 2019**

	30 March 2019 £	31 March 2018 £
Cash flows from operating activities		
Loss for the financial period	(2,927,561)	(529,892)
Adjustments for:		
Amortisation of intangible assets	63,694	4,529
Depreciation of tangible assets	676,559	411,153
Impairments of fixed assets	928,211	-
Interest paid	621,702	306,083
Taxation charge	31,291	(31,291)
(Increase) in stocks	(22,046)	(11,088)
Decrease/(increase) in debtors	380,297	(557,617)
Increase in creditors	1,542,402	312,787
Net cash generated from operating activities	1,294,549	(95,336)
Cash flows from investing activities		
Purchase of intangible fixed assets	(311,146)	-
Purchase of tangible fixed assets	(728,616)	(1,729,033)
Net cash from investing activities	(1,039,762)	(1,729,033)
Cash flows from financing activities		
Repayment of loans	-	(5,916,265)
Repayment of other loans	-	(2,000,000)
(Repayment of)/new finance leases	41,760	(2,935)
Interest paid	(481,800)	(306,083)
New other loans and loan notes	-	9,418,052
Net cash used in financing activities	(440,040)	1,192,769

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 30 MARCH 2019

	30 March 2019 £	31 March 2018 £
Net (decrease) in cash and cash equivalents	(185,253)	(631,600)
Cash and cash equivalents at beginning of period	517,388	1,148,988
Cash and cash equivalents at the end of period	332,135	517,388
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	332,135	517,388

The notes on pages 17 to 37 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

1. General information

Gino D'Acampo Worldwide Restaurants Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Ridgefield House 4th Floor, John Dalton Street, Manchester, M2 6JR.

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

The financial statements are presented in sterling (£).

The following principal accounting policies have been applied:

2.2 Going concern

As disclosed in the Directors report, the company, together with the entire Casual Dining Sector in general, is facing a very difficult trading environment. The difficult trading environment has worsened considerably since the balance sheet date, exacerbated by Covid19 and lockdown and is only being helped by the unprecedented levels of government supports through "eat out to help out", furlough and other forms of intervention and time to pay arrangements.

The Directors have reviewed trading and cash flow forecasts as part of their going concern assessment which take into account uncertainties in the current sector operating and macro-economic environment. The Directors are aware that there are multiple material uncertainties that are facing the business, which can be broken down into two main areas as follows:

Uncertainties over future financial support

- **Bank funding** – The company currently has its facilities with HSBC Bank plc and has breached covenants since the year-end but formal waivers have been received. The bank have agreed short-term facilities to allow the company to open its entire estate post lockdown. However the Directors are currently in discussion with the bank, who remain supportive, to agree a longer term funding package with them.
- **Shareholder support** – The 3 major shareholders continue to support the company through loans into the business. The Directors are currently in dialogue with those shareholders alongside the bank discussions to put together a package that secures the long-term viability of the 3 Brands now within the wider Group.
- **HMRC support** – As part of the government funding announced during the Covid19 crisis the company has deferred payments to HMRC and is still in dialogue to agree a payment plan which is achievable based upon the future forecast cash generation of the company.
- **Unsecured Creditor support** – The Directors have obtained or are in the process of obtaining support from its major suppliers and the majority of its landlords to defer or waive payments. Not all of these agreements are complete or are agreed formally in writing at the point of issuing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

2. Accounting policies (continued)

2.2 Going concern (continued)

Uncertainties over future demand

- **Post lockdown trading / Eat out to help out – trading** – As of issuing this report all of the company's restaurants are now open. Trading post lockdown even when stripping out the governments eat out to help out campaign has not only been ahead of prior year performance but also the base case forecasts prepared for the going concern assessment and bank/shareholder funding exercise. The government support during August was well received and gave a welcome boost to performance. Sales in September have again been ahead of prior year and the base case forecasts. However the levels of trading post September 2020 remain unknown. The forecasts used to support the bank and shareholder funding application average out at 80% of previously normal sales. The Directors remain confident of being able to achieve this but there is no external data available to support this assertion.
- **Impact of a second spike and local lockdowns** – Whilst the Directors have plans to cope with the impact of local lockdowns at individual site level another national lockdown or large regional lockdown (specifically involving Greater Manchester given the concentration of sites in this area) would have a significant impact on revenue and cash generation. The impact of such a scenario, whilst possible, has not been modelled but would undoubtedly cause the Board to review its overall strategy.

The Directors have an ongoing dialogue with their principal bankers and shareholders and are confident that discussions will result in the business having sufficient facilities similar to existing terms. The Directors are also continuing to discuss strategic options with its 3 major shareholders with regard to their continued support for the wider Group. The Directors are also continuing to work closely with its other secured and unsecured creditors some of whom have formally and informally agreed to reduce/defer payments until there is sufficient cash flows generated by the Group to make those payments.

The Directors have instigated measures to preserve cash, by reducing discretionary costs and restricting capital expenditure to where absolutely necessary.

The Directors have concluded that a combination of these circumstances represent a material uncertainty which may cast significant doubt on the Company and Group's ability to continue as a going concern and therefore it may be unable to realise its assets or discharge its liabilities in the normal course of business.

As noted above the Directors have taken action, where possible, to obtain evidence of continuing support of the Group's bankers, secured and unsecured creditors (including HMRC, landlords and principal suppliers) and shareholders taking into account the recent forecasts and the expected assets of the Group in the long term. However in the circumstances and given time constraints the Directors have been unable to obtain sufficient and appropriate evidence to fully support the overall conclusion given the nature of the risks identified above. Nevertheless after making enquiries, and considering the matters described above, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue to operate for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing these financial statements. If the adoption of the going concern basis was inappropriate, adjustments which it is not practicable to quantify, would be required to write down assets to their recoverable value, to reclassify fixed to current assets and to provide for any additional liabilities that may arise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

2. Accounting policies (continued)

2.3 Revenue

Turnover which is stated net of VAT, relates to services provided at restaurants and bars and occurs entirely within the United Kingdom.

Turnover which relates to income received from customers who eat and drink in the restaurants is recognised on the day the event occurs. Turnover received in advance (deposits) is held as a liability on the balance sheet until the customer eats or drinks in the restaurants.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Franchise fees	-	10	years
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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:

Fixtures and fittings	-	10%
Office equipment	-	25%
Building improvements	-	5%

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

2. Accounting policies (continued)

2.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet 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 balance sheet 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 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 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.

2.9 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. 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.

2.10 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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

2.11 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.

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.13 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income 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.

2.14 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

2. Accounting policies (continued)

2.15 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 Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.16 Borrowing costs

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

2.17 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 the Statement of comprehensive income 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the period 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 balance sheet 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 Balance sheet 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 balance sheet date.

2.19 Pre-opening costs

Pre-opening costs are recognised in advance of the opening of restaurants and include expenditure incurred up to statement of financial position date and are charged to the profit and loss account.

2.20 Supplier Income

Supplier income is recognised as a deduction from cost of sales on an accruals basis, calculated based on the expected entitlement that has been earned up to the balance sheet date for each relevant supplier contract.

The accrued incentives, received at year end are included within accrued income. Where amounts are received in the expectation of future events, these are recognised in the statement of income and retained earnings in line with that future business after the performance obligation is met.

2.21 Loyalty scheme

As Club Individual points are issued to customers the retail fair value of those points expected to be redeemed is deferred. When the points are used by customers they are recorded as revenue.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

3. Judgements 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. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The following judgements have had the most significant effect upon amounts recognised in the financial statements:

Impairment of tangible fixed assets

At the end of the reporting period, management undertake an assessment of the net book values of tangible fixed assets, based upon their knowledge of the performance of sites and the condition of the tangible assets. Where necessary, an impairment is recognised in the profit or loss account.

The actual recoverable amount may differ from the assessment of net book value.

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is assessed based on the class of asset. The useful economic life is assessed at the end of the reporting period, in conjunction with the impairment review, to determine whether the estimates are still appropriate.

4. Turnover

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

	30 March 2019 £	8 months to 31 March 2018 £
Food and drink sales	12,421,429	9,362,011

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	30 March 2019 £	8 months to 31 March 2018 £
Depreciation of tangible fixed assets	676,569	411,252
Amortisation of intangible assets, including goodwill	63,694	4,529
Other operating lease rentals	992,866	598,338
Pre-opening costs	273,733	253,264
Costs relating to a site subsequently closed	666,482	-

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

6. Auditor's remuneration

	30 March 2019 £	<i>8 months to 31 March 2018 £</i>
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	22,000	17,000

7. Employees

Staff costs were as follows:

	30 March 2019 £	<i>8 months to 31 March 2018 £</i>
Wages and salaries	3,796,411	2,966,765
Social security costs	231,991	233,903
Cost of defined contribution scheme	51,266	2,496
	4,079,668	3,203,164

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

	30 March 2019 No.	<i>8 months to 31 March 2018 No.</i>
Restaurant staff	225	283
Admin	4	3
	229	286

Included within the total employee cost above is £862,329 (2018: £636,794) (Wages & salaries of £803,626 (2018: £598,060) and National Insurance contributions of £58,703 (2018: £38,734)) relating to employees solely working for Gino D'Acampo Worldwide Restaurants Limited but contracted through a related party company. This cost represents on average 47 employees who are included in the total staff numbers.

The directors are not remunerated through this company.

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

8. Interest payable and similar expenses

	30 March 2019 £	<i>8 months to 31 March 2018 £</i>
Bank interest payable	-	86,926
Other loan interest payable	319,559	86,006
Other loan note interest payable	237,500	133,151
Amortisation of refinancing fees	64,643	62,705
	<u>621,702</u>	<u>368,788</u>

9. Taxation

	30 March 2019 £	<i>8 months to 31 March 2018 £</i>
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	(31,291)
Derecognition of deferred tax asset	31,291	-
Total deferred tax	<u>31,291</u>	<u>(31,291)</u>
Taxation on profit/(loss) on ordinary activities	<u>31,291</u>	<u>(31,291)</u>

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

9. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is the same as (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	30 March 2019 £	8 months to 31 March 2018 £
Loss on ordinary activities before tax	<u>(2,896,270)</u>	<u>(561,183)</u>
Profit/ (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(550,291)	(106,625)
Effects of:		
Expenses not deductible for tax purposes	139,564	28,191
Capital allowances for period in excess of depreciation	(17,997)	(7,735)
Adjustments to tax charge in respect of prior periods	(3,680)	-
Unrelieved tax losses carried forward	377,463	-
Deferred tax not recognised	86,232	54,878
Total tax charge for the period	<u>31,291</u>	<u>(31,291)</u>

Factors that may affect future tax charges

The Finance Act 2016 was enacted in the prior year which implemented a reduction in the corporation tax rate from 20% to 17% with effect from 1 April 2020.

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

10. Exceptional items

	30 March 2019 £	<i>8 months to 31 March 2018 £</i>
Impairment of assets	928,211	-
Restructuring costs	35,507	-
Aborted site costs	86,995	-
	<u>1,050,713</u>	<u>-</u>

11. Intangible assets

	Intangible assets £
Cost	
At 1 April 2018	142,000
Additions	311,146
At 30 March 2019	<u>453,146</u>
Amortisation	
At 1 April 2018	8,078
Charge for the year	63,694
At 30 March 2019	<u>71,772</u>
Net book value	
At 30 March 2019	<u>381,374</u>
At 31 March 2018	<u>133,922</u>

Amortisation on intangible assets is charged to admin expenses.

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

12. Tangible fixed assets

	Building Improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2018	5,614,323	3,261,842	287,321	9,163,486
Additions	408,676	222,763	97,177	728,616
Impairment charge	(470,511)	(526,783)	(62,137)	(1,059,431)
At 30 March 2019	<u>5,552,488</u>	<u>2,957,822</u>	<u>322,361</u>	<u>8,832,671</u>
Depreciation				
At 1 April 2018	227,339	293,904	43,483	564,726
Charge for the period on owned assets	265,552	320,281	90,736	676,569
Impairment charge	(31,636)	(77,614)	(21,970)	(131,220)
At 30 March 2019	<u>461,255</u>	<u>536,571</u>	<u>112,249</u>	<u>1,110,075</u>
Net book value				
At 30 March 2019	<u>5,091,233</u>	<u>2,421,251</u>	<u>210,112</u>	<u>7,722,596</u>
At 31 March 2018	<u>5,386,984</u>	<u>2,967,938</u>	<u>243,838</u>	<u>8,598,760</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	30 March 2019 £	31 March 2018 £
Furniture, fittings and equipment	<u>142,556</u>	<u>55,760</u>

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

13. Stocks

	30 March 2019 £	<i>31 March 2018 £</i>
Restaurant and bar stocks	219,579	<i>197,533</i>

Stock recognised in cost of sales during the period as an expense was £3,426,368 (2018 - £2,666,353).

An impairment loss of £Nil (2018 - £Nil) was recognised in cost of sales against stock during the period due to slow-moving and obsolete stock.

14. Debtors

	30 March 2019 £	<i>31 March 2018 £</i>
Due after more than one year		
Prepayments and accrued income	193,000	<i>100,000</i>
	193,000	<i>100,000</i>
Due within one year		
Trade debtors	7,599	<i>3,506</i>
Amounts owed by joint ventures and associated undertakings	407,848	<i>512,646</i>
Prepayments and accrued income	817,446	<i>1,190,038</i>
Deferred tax	-	<i>31,291</i>
	1,425,893	<i>1,837,481</i>

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

15. Cash and cash equivalents

	30 March 2019 £	<i>31 March 2018 £</i>
Cash at bank and in hand	332,135	<i>517,388</i>

16. Creditors: Amounts falling due within one year

	30 March 2019 £	<i>31 March 2018 £</i>
Other loans	7,125,000	<i>-</i>
Trade creditors	2,185,820	<i>1,307,384</i>
Amounts owed to related parties	686,992	<i>26,874</i>
Other taxation and social security	738,797	<i>1,004,091</i>
Obligations under finance lease and hire purchase contracts	39,189	<i>13,167</i>
Accruals and deferred income	1,336,751	<i>1,009,659</i>
	12,112,549	<i>3,361,175</i>

The other loans balance is payable to Gino D'Acampo Worldwide Restaurants Finco Limited, an entity related by common shareholders. Gino D'Acampo Worldwide Restaurants Finco Limited has on-lent monies drawn down on a facility with HSBC Bank Plc.

As at 30 March 2019 the bank covenants have been breached and deferred. Whilst none of the debt has been recalled by the bank at the point of signing these accounts, negotiations are on-going as documented in the going concern policy within note 2.2.

The other loans are secured by way of a guarantee against the assets of the business. Refer to note 23 for details of the cross guarantee.

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

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

	30 March 2019 £	31 March 2018 £
Net obligations under finance leases and hire purchase contracts	48,385	32,647
Other loans	-	7,043,052
Other loan notes	2,375,000	2,375,000
	<u>2,423,385</u>	<u>9,450,699</u>

The bank loans and shareholder loan notes from the prior year have been settled in the year and replaced with the following financing arrangements:

Other loans

Interest is payable at a rate of 3.75% above LIBOR and the loan is repayable after 3 years from November 2017. Interest of £319,559 (2018: £86,006) was charged to the Statement of comprehensive income.

The other loans balance is payable to Gino D'Acampo Worldwide Restaurants Finco Limited, an entity related by common shareholders. Gino D'Acampo Worldwide Restaurants Finco Limited has on-lent monies drawn down on a facility with HSBC Bank Plc.

The other loans are secured by way of a guarantee against the assets of the business. Refer to note 23 for details of the cross guarantee.

Other loan notes

The other loan notes are unsecured debt and accrue interest at 10% and a charge of £237,500 (2018: £133,151) was charged to the Statement of comprehensive income.

The other loan notes are repayable to Gino D'Acampo Worldwide Restaurants Finco Limited, an entity related by common shareholders. Gino D'Acampo Worldwide Restaurants Finco Limited has on-lent monies drawn down facilities with M Walker and T Dhaliwal (Shareholders of both entities) by way of shareholder loan notes.

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	30 March 2019 £	31 March 2018 £
Within one year	48,385	13,167
Between 1-2 years	39,189	32,647
	<u>87,574</u>	<u>45,814</u>

The hire purchase and finance lease liabilities are secured on the assets to which they relate.

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

19. Financial instruments

	30 March 2019 £	<i>31 March 2018 £</i>
Financial assets		
Financial assets measured at amortised cost	747,582	<i>1,033,534</i>
Financial liabilities		
Financial liabilities measured at amortised cost	13,709,563	<i>(11,761,969)</i>

Financial assets measured at amortised cost comprise of all current debtors (other than prepayments) and cash and cash equivalent balances.

Financial liabilities measured at amortised cost comprise of all current and non-current liabilities (other than tax liabilities and finance lease liabilities).

20. Deferred taxation

	2019 £	<i>2018 £</i>
At 1 April 2019	31,291	<i>-</i>
Charged to profit or loss	(31,291)	<i>31,291</i>
At end of year	-	<i>31,291</i>

The deferred tax asset is made up as follows:

	30 March 2019 £	<i>31 March 2018 £</i>
Accelerated capital allowances	-	<i>31,291</i>
	-	<i>31,291</i>

The deferred tax asset as at 30 March 2019 has not been recognised as it is not certain that this asset will be recoverable against future taxable profits.

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 MARCH 2019

21. Share capital

	30 March 2019 £	31 March 2018 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £0.01 each	100	100

During 2017 the ordinary share of £1 was divided into 100 shares of £0.01p. On 31 August 2015 a further 9,900 shares were issued at £0.01p.

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

22. Reserves

Profit and loss account

Includes all current losses.

23. Contingent liabilities

The company is party to a cross guarantee dated 23 November 2017 to HSBC Bank Plc as security for related party loans between Gino D'Acampo Worldwide Restaurants Finco Limited and HSBC Bank Plc. As at the balance sheet date the maximum indebtedness under the guarantee was £12,000,000 (2018: £12,000,000).

24. Capital commitments

The company had capital commitments as at 30 March 2019 of £Nil (2018: £Nil) in relation to purchases for fittings to the restaurants.

25. Pension commitments

The company operates a defined contribution pension scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in funds independent of those of the group. The pension cost charge in the year was £51,266 (2018: £2,496).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019

26. Commitments under operating leases

At 30 March 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	30 March 2019 £	31 March 2018 £
Not later than 1 year	992,866	992,866
Later than 1 year and not later than 5 years	3,971,464	3,971,464
Later than 5 years	13,276,901	14,264,327
	<u>18,241,231</u>	<u>19,228,657</u>

27. Post balance sheet events

On 29 August 2019 a transaction took place which transferred the company into a new group for which the parent company is *Individual Restaurants Group Limited*.

Refinancing

On 29th August 2019, Individual Restaurants Group Limited (the ultimate parent undertaking of the company) completed a refinancing of the existing group banking facilities.

Covid19

The current global Covid-19 pandemic has hit the hospitality sector hard and all restaurants were closed from 20 March 2020 to 4 July 2020 (with trading impacted from late January 2020). While early signs on post lockdown trading have been positive, as with other entities in the sector, the financial cost of the pandemic has had a significant impact on the business and the Board of Directors are carefully monitoring the situation and following directives issued by government authorities.

The Directors have determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results for the period ended 30 March 2019 have not been adjusted to reflect their impact.

GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

28. Related party transactions

Included within the debtors and creditors notes are balances due from/(to) related parties. The companies are related through common ownership. The balances as at 30 March 2019 are as follows:

	30 March 2019 £	31 March 2018 £
Amounts due from/(to) related parties		
Restaurant Bar & Grill Limited	33,891	123,064
Gino Worldwide Restaurants Finco Limited - short term debtor	192,701	140,000
Gino Worldwide Restaurants Finco Limited - long term liability (*)	2,375,000	(9,418,052)
Gino Worldwide Restaurants Finco Limited - short term liability (**)	7,125,000	-
Gino D'Acampo	-	-
Gino D'Acampo Restaurants LLP	150,000	180,301
Retail Restaurants Limited	(559,545)	(26,874)
The Pasta Bar Specialists Limited	26,299	67,991
Aldpic Limited	(7,717)	-
Sous Vide Meal Solutions Limited (formerly Broomco (4237) Limited)	(119,675)	-
Iceland Foods Limited	-	1,290
	9,215,954	(8,932,280)

Transactions with related parties during the year was as follows:

Recharges to Restaurant Bar and Grill Limited totalled £79,065 (2018: £975,285), Purchases from Restaurant Bar and Grill Limited totalled £994,057 (2018: £574,805).

Purchases from The Pasta Bar Specialists Limited totalled £41,692 (2018: £18,852).

Recharges to Aldpic Limited totalled £Nil (2018: £1,849). Recharges from Aldpic Limited totalled £9,566 (2018: £Nil).

Recharges from Casual Restaurants Limited totalled £Nil (2018: £105,338).

Recharges due to Retail Restaurants Limited totalled £532,671 (2018: £27,874).

* Included within long term creditors is £2,375,000 payable to Gino D'Acampo Worldwide Restaurants Finco Limited. Details of the amounts are shown in note 17 to the accounts.

** Included within short term creditors is £7,125,000 payable to Gino D'Acampo Worldwide Restaurants Finco Limited. Details of the amounts are shown in note 16 to the accounts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 MARCH 2019**

29. Controlling party

On 29 August 2019 a transaction took place which transferred the company into a new group for which the parent company is Individual Restaurants Group Limited.

After the transaction, the ultimate parent undertaking is Individual Restaurants Group Limited, (company no 10799037), a company incorporated in England and Wales.