

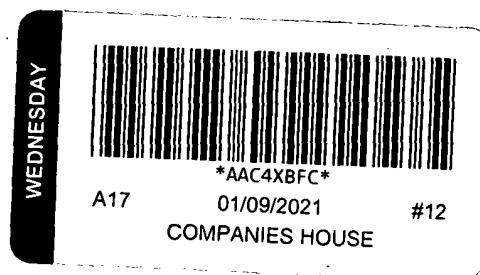
**Gordon Ramsay Restaurants  
Limited**

Report and Financial Statements

Year Ended

31 August 2020

Company Number 07360142



# **Gordon Ramsay Restaurants Limited**

## **Company Information**

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<b>Directors</b>	G J Ramsay A Wenlock
<b>Registered number</b>	07360142
<b>Registered office</b>	539 - 547 Wandsworth Road London SW8 3JD United Kingdom
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# **Gordon Ramsay Restaurants Limited**

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# **Gordon Ramsay Restaurants Limited**

## **Group Strategic Report for the Year Ended 31 August 2020**

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The directors present their strategic report together with the audited financial statements for the year ended 31 August 2020.

### **Principal activities**

Gordon Ramsay Restaurants Limited and its subsidiary companies (the "group") hold an interest in 25 London based restaurants, and in addition there are licence agreements for 11 restaurants in various locations around the world.

The restaurants operated by the group are some of London's most famous dining establishments, including the three Michelin star Restaurant Gordon Ramsay, the one Michelin star Petrus, Savoy Grill and Lucky Cat by Gordon Ramsay. The group also operates a wide range of premium casual dining restaurants that include Bread Street Kitchen, Gordon Ramsay Plane Food at Heathrow Airport Terminal 5, Heddon Street Kitchen and London House.

### **Business review**

During the first half of the financial year, the group maintained strong performance. Lucky Cat which opened in Mayfair in June 2019 continued to establish its credentials as one of London's finest Asian inspired restaurants, and Maze Grill, Mayfair was refurbished and reopened as Gordon Ramsay Bar and Grill.

In March, in line with UK government requirements following onset of the COVID-19 pandemic, the group closed all of its restaurants. The group then re-opened its restaurants on 4th July albeit under restrictions such as social distancing and much reduced footfall in Central London.

During the closure, the group took a number of mitigating actions including the utilisation of the Government's Coronavirus Job Retention scheme to protect jobs, negotiating deferral and waivers of rent with its landlords, negotiating more flexible terms with key creditors and putting capital projects on hold. In addition, the group secured additional funding from both its bank and significant shareholder.

Consequently, consolidated turnover for the group reduced to £34.5m (2019 - £54.7m), reflecting the three-and-a-half-month closure and the further two months of restricted trading. As a result of the mitigating actions taken, adjusted EBITDA for the year was restricted to a loss of £1.0m (2019 - £6.6m profit)

The group made a loss before tax of £5.1m during the year (2019 - profit of £15.2m). The profit in the prior year was augmented by the assignation of the group's USA licence agreements to entities owned by Gordon Ramsay North America, LLC ("GRNA").

# Gordon Ramsay Restaurants Limited

## Group Strategic Report (continued) for the Year Ended 31 August 2020

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### Future developments

Despite the global uncertainty caused by the Covid-19 pandemic, the group remains committed and on course in its growth strategy.

In the Casual Dining category, the group has accelerated the rollout of its Street Pizza and Street Burger concepts. New Street Pizza restaurants opened in Southwark (December 2020) and Battersea Power Station (April 2021). The first Street Burger restaurant opened in December 2020 in the One New Change development in the City of London. New Street Burger restaurants have also opened in Woking and Charing Cross Road, London (April 2021), and more recently at Kensington High Street, Islington, Covent Garden and The O2 Arena.

In the Premium Casual category, The Bread Street brand will see new restaurants opened in The City of London, Edinburgh and Battersea Power Station, whilst Union Street Café in Southwark has reopened in the Bread Street Kitchen format. The first Bread Street Café, located in Ealing, West London opened in August 2021, and there are well advanced plans to expand Bread Street more widely in the United Kingdom.

The group will continue its growth in the Super Premium category with the opening of a new seafood restaurant at the Savoy, The River Restaurant by Gordon Ramsay, due to open in September 2021.

The inaugural Gordon Ramsay Academy will open in Woking, Surrey in September 2021. The directors view this as a scalable asset both in the UK and internationally, and are planning to take the Academy to America and Asia.

In December 2020, Gordon Ramsay Burger opened in Harrods under a licencing agreement, and internationally, new licensed restaurants will also be opening in Saudi Arabia and Macau. The new Street Burger and Street Pizza concepts have been shown to be scalable and can now form a significant part of the international franchising business.

### Key performance indicators

In line with our operating objectives, the group use both financial and non-financial KPI's. These are monitored on a daily, weekly, and monthly basis. KPI's are used to measure the primary objectives of the business and the performance of the restaurants.

KPI's used to measure performance include turnover, food, beverage and labour margins, gross profit, and adjusted EBITDA.

### Profit and loss summary

	2020 £m	2019 £m
Turnover	34.5	54.7
Gross profit	12.4	27.3
Adjusted EBITDA *	(1.0)	6.6

# **Gordon Ramsay Restaurants Limited**

## **Group Strategic Report (continued) for the Year Ended 31 August 2020**

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### **Principal risks and uncertainties**

The variety of concepts and choice of location throughout London helps to minimise any risk of dependency on one brand or economic area.

The current state of the UK economy and ability to operate the restaurant estate: The recent COVID 19 pandemic resulted in the complete closure of the estate on a number of occasions. While the group has been able to support its staff through the government's Coronavirus job retention scheme, and has now fully reopened, it is clear that the economy has suffered, and restrictions imposed in response to the pandemic present risks to many consumer businesses. Any actions taken in the future which limit the ability of the group to operate as forecast might have a significant impact on its revenues and profits. The group acted decisively and remains as prepared as possible for future eventualities .

### **Capital risk management**

The group manages its capital to ensure that it will continue as a going concern whilst looking to maximise returns to shareholders. The capital structure of the group consists of equity (this being issued share capital, share premium and retained earnings), shareholder debt, bank debt, cash and cash equivalents. The group monitors its capital structure on a regular basis through cash flow reporting and forecasting.

### **Foreign exchange risk**

The group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Pound Sterling (£). The group maintains a natural hedge that minimises the foreign exchange exposure by matching foreign currency income with foreign currency costs. Given that the majority of the group's transactions remain Sterling denominated, the group does not consider it necessary to enter into foreign exchange contracts to manage its current foreign exchange risks.

### **Liquidity risk**

The group manages its exposure to liquidity risk through a naturally low level of debtors, maintaining a diversity of funding sources and the spreading of debt repayments over a range of maturities. The hospitality sector has faced a number of challenges which impact liquidity. To manage liquidity risk, the group prepares regular working capital forecasts to assess cash requirements. The risk posed by liquidity has been considered and we are satisfied, with the support of the group's controlling shareholder if necessary, there is sufficient funding available in the group to meet its requirements.

### **Interest rate risk**

The group does not have formal policies on interest rate risk but monitors interest rates and the risk to the business on a regular basis.

# **Gordon Ramsay Restaurants Limited**

## **Group Strategic Report (continued) for the Year Ended 31 August 2020**

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### **Employees**

The successful delivery of the service to the group's customers depends on recruiting, training, managing and retaining people of the highest quality. The group is committed to the welfare of its staff and all employees given opportunities and are encouraged to develop with the group.

The group is committed to the involvement of employees in the business. Staff are kept informed of the performance and objectives of the group through staff meetings and regular structured feedback sessions.

The group is an equal opportunities employer. Its policy is to ensure that all employees are treated with the same respect and consideration regardless of sex, age, colour, disability, sexual orientation, nationality or ethnic or national origins.

Management facilitates the employment of disabled persons whenever a suitable vacancy arises. Continued employment and retraining of employees who become disabled whilst employed within the company is ensured. The group provides career development, training and promotion of disabled employees with a view to encouraging them to play an active role in the development of the company.

### **Going concern**

The COVID 19 pandemic has had a significant impact on the group. The group was required to close all of its sites in March 2020 at the start of the first Government imposed lockdown. The group was able to support its staff through the Government's Coronavirus job retention scheme, negotiate concessions from landlords across the estate, negotiate more flexible payment terms with key creditors as well as agreeing waivers and securing additional funding from its bank, and its major shareholder.

The group reopened all sites from July 2020, and there was a period of solid trading until a further lockdown in November 2020. There followed a two week re-opening and then a protracted closure from 4th January 2021 to 12th April 2021 after which trading resumed in outdoor settings only. On 17th May 2021 indoor dining returned, all restaurants were able to operate albeit with some ongoing restrictions, and since that date the group has traded consistently well and profitably. Sales are now close to or in line with pre-pandemic trading.

The group has been fully supported by its significant shareholder and its lenders throughout the 2020-2021 pandemic, with additional funding provided and waivers granted in respect of lending covenants. As further detailed in Notes 20 and 31 to the Financial Statements, final loan repayment dates have been deferred to February 2023, and there are also committed and undrawn funds in place from the group's bank and major shareholder.

The directors have prepared cashflow forecasts which indicate that the group will be able to meet its liabilities as they fall due for a period of at least 12 months from the approval of the financial statements. These projections anticipate a steady increase in trade as workers return to their offices, and London based leisure activity continues to re-establish, along with the returning international tourist market and the reopening of global travel corridors. The projections also reflect the benefit of mitigating actions the company and group have taken to reduce costs, as well as incorporating government support initiatives, including the ongoing business rates reduction and VAT reductions together with the benefit of improved lending terms from the group's bank and significant shareholder.

Given the current uncertainties, the directors have considered the potential consequences of declining business performance or further lockdowns arising from the pandemic. A scenario of declining sales in the Autumn has been evaluated. This contrasts with an expected steady improvement from the current date onwards, both from workers returning to London in significant numbers and the traditional pre-Christmas seasonal uplift. Modelling a slight decline over the three months to November 2021 from current trading levels instead of the expected growth would have a significant impact on profits, however the directors consider that the group would remain profitable and would be able to remain within its lending covenants, with appropriate mitigations to expenditure and expansion.

# **Gordon Ramsay Restaurants Limited**

## **Group Strategic Report (continued) for the Year Ended 31 August 2020**

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### **Going concern (continued)**

A yet more severe scenario, but not completely unforeseeable such as a lock-down and business closure over the important Christmas trading period has also been considered. Depending on the timing and duration this could result in breaches to lending agreements. Despite the undrawn funding from shareholder and lender, an enforced business closure in December 2021 could cause EBITDA and cash related covenants to be breached. The group has been fully supported by its significant shareholder and its lenders throughout the 2020-2021 pandemic, with additional funding provided and waivers granted in respect of lending covenants, and the directors believe that such support would again be given if required. The significant shareholder has confirmed to the group that in the event of a more severe scenario further support will be made available over the 12 month period following the approval of the financial statements.

The directors are comfortable that the business is operating profitably with the ability to withstand reasonably foreseeable severe downside scenarios should they arise. It is the expectation of the directors that they will be able to meet liabilities as they fall due over a period of at least 12 months, and accordingly preparation of the group's financial statements on the going concern basis is considered to be appropriate at the date the accounts are authorised for issue.

### **Directors' statement of compliance with duty to promote the success of the group**

Recent legislation requires that directors include a separate statement in the annual report that explains how they have had regard to wider stakeholder needs when performing their duty under Section 172(1) of the Companies Act 2006. The duty requires that a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment; and
- The desirability of the company maintaining a reputation for high standards of business conduct.

The most significant decisions taken during the year surrounded the early stages of the COVID-19 Pandemic, and balancing the need to protect business, staff and guests, as well as suppliers including the group's landlords.

Whilst the requirement to temporarily close all restaurants was a government instruction, the directors quickly decided that the group in its entirety would be supported through this challenging period with no restaurants closed for the long term. The Coronavirus Job Retention Scheme (CJRS) and other available government support has been accessed to the extent available.

The directors determined that all restaurants within the group would re-open at the earliest opportunity as the first lockdown ended, and in-so-doing had to ensure safe operating environment for staff and guests alike. Operation of on-line guest check-in and NHS venue check-in app, enhanced hygiene measures, and QR code menus are examples of steps which were taken to ensure a safe environment. During these challenging times the directors continue to believe that the best way to engage with staff and guests is through regular visits to all the group's restaurants, and through regular social media activity and use of other online platforms.

The directors arranged additional loans from shareholders and lenders to support the group when necessary, and this has enabled the group to continue planning and executing it's long-term growth strategy, despite the short term challenges.


## **Gordon Ramsay Restaurants Limited**

### **Group Strategic Report (continued) for the Year Ended 31 August 2020**

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The board considers that key decisions have been taken with the long term in mind, as well as giving due regard the more immediate interests of employees, suppliers, customers, communities and the environment in which the company operates.

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

  
.....  
**A Wenlock**  
Director

Date: 31/08/21

# **Gordon Ramsay Restaurants Limited**

## **Directors' Report for the Year Ended 31 August 2020**

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

### **Directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Results and dividends**

The loss for the year, after taxation and minority interests, amounted to £5,187,000 (2019 - profit of £11,909,000).

The statement of comprehensive income is set out on page 13 and shows the result for the year.

The directors do not recommend the payment of a dividend (2019 - £Nil).

### **Directors**

The directors who served during the year were:

G J Ramsay  
A Wenlock

### **Risks and uncertainties and likely future developments**

Details of the directors' considerations of risks and uncertainties along with likely future developments of the group and their going concern assessment are contained within the strategic report on pages 1 - 6.

# **Gordon Ramsay Restaurants Limited**

## **Directors' Report (continued) for the Year Ended 31 August 2020**

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### **Greenhouse gas emissions, energy consumption and energy efficiency action**

The group is mindful of its responsibilities to improve its energy efficiency and reduce its carbon footprint. Establishing baseline metrics against which to track changes is an important first step. For the financial year ended 31st August 2020:-

- The annual quantity of emissions in the year was 1,199 tCO<sub>2</sub>e
- The annual quantity of energy consumed was 5,456,693 kWh
- Expressed in terms of office space, the annual emissions were 0.032 tCO<sub>2</sub>e per 1,000 square metres
- Energy efficiency improvement measures have been identified and will be reported on once implemented.

The calculations were compiled independently by energy consultants following the 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standards. The energy data was collated using a mix of existing reporting mechanisms (ESOS Phase 2 for 2018/19) and benchmark data. These methodologies provided a continuous record of electricity and heat use within the buildings occupied by the group. This energy data was converted to carbon emissions using emission factors provided by the Department of Business, Energy and Industrial Strategy. The associated emissions are divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity, heating and cooling (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3). Energy and thermal data was not available for some of the group's buildings as the energy is included within the service and rental charge. In these cases benchmark figures have been used to estimate the annual energy use. In buildings where electricity contracts are held or the supply is metered by the landlord, data prior to the ESOS Phase 2 reporting was unavailable and so estimates have been used.

### **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 directors is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the directors 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 and the group's auditor is aware of that information.

### **Post balance sheet events**

After the balance sheet date there was a second government mandated closure in November 2020 followed by a protracted closure between 4th January 2021 and 12th April 2021. All restaurants were fully closed during these "lockdowns", with the exception of Plane Food at Heathrow Airport which remained open during the 2021 lockdown. As with the previous 2020 lockdown, these closures had a significant impact on the business resulting in furloughing of staff, changes in rent profiles, and deferral of certain liabilities. The group continued to receive support from it's significant shareholder and bank, with new funds lent in by both as required.

A number of amendments were made to the group's bank and shareholder loan facilities, the most recent being on 8th July 2021. Significant elements of these amendments are:-

- bank loan end dates have been aligned and all now fall due between 2 and 5 years;
- establishing committed but as yet undrawn loans totalling £2m from both the group's bank and major shareholder, further to an already existing and currently undrawn overdraft facility of up to £1m;
- waivers were granted, and short term "pandemic" related covenants are in place until May 2022.

On 12th April 2021 a group member, Busyn Ltd agreed a loan facility with a local government authority to borrow up to £1,850,000, for the purpose of fitting out and paying rent on two new trading locations. The loan term is 25 years, with an interest rate of 3.5% and at the date these Financial Statements were approved for signature, £1,304,089 had been drawn under this facility.

# Gordon Ramsay Restaurants Limited

## Directors' Report (continued) for the Year Ended 31 August 2020

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### Auditor

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

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



.....  
**A Wenlock**  
Director

Date: 31/08/21

# **Gordon Ramsay Restaurants Limited**

## **Independent Auditor's Report to the Members of Gordon Ramsay Restaurants Limited**

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### **Opinion**

We have audited the financial statements of Gordon Ramsay Restaurants Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 August 2020 which comprise Consolidated Statement of Comprehensive Income for the Year Ended 31 August 2020, Consolidated Statement of Financial Position as at 31 August 2020, Company Statement of Financial Position as at 31 August 2020, Consolidated Statement of Changes in Equity for the Year Ended 31 August 2020, Company Statement of Changes in Equity for the Year Ended 31 August 2020 and Consolidated Statement of Cash Flows for the Year Ended 31 August 2020, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2020 and of the group's 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 Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

# **Gordon Ramsay Restaurants Limited**

## **Independent Auditor's Report to the Members of Gordon Ramsay Restaurants Limited (continued)**

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### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# Gordon Ramsay Restaurants Limited

## Independent Auditor's Report to the Members of Gordon Ramsay Restaurants Limited (continued)

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### Responsibilities of directors

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

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


### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
45685E26CA8248E...

**Ed Green-Wilkinson** (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date: 31 August 2021

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

# Gordon Ramsay Restaurants Limited

## Consolidated Statement of Comprehensive Income for the Year Ended 31 August 2020

	Note	2020 £000	2019 £000
Turnover	5	34,512	54,739
Cost of sales		(22,146)	(27,476)
<b>Gross profit</b>		<b>12,366</b>	<b>27,263</b>
Administrative expenses		(19,776)	(10,756)
Other operating income	6	3,215	-
Adjusted EBITDA*		(999)	6,613
Depreciation and amortisation	7	(2,567)	(2,246)
Exceptional administrative items	4	(629)	12,140
<b>Operating (loss)/profit</b>	7	<b>(4,195)</b>	<b>16,507</b>
Interest receivable and similar income		2	3
Interest payable and similar charges	10	(868)	(1,324)
<b>(Loss)/profit before taxation</b>		<b>(5,061)</b>	<b>15,186</b>
Tax on (loss)/profit	11	(143)	(3,149)
<b>(Loss)/profit for the financial year</b>		<b>(5,204)</b>	<b>12,037</b>
Foreign exchange movement		-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(5,204)</b>	<b>12,037</b>
<b>(Loss)/profit for the year attributable to:</b>			
Non-controlling interests		(17)	128
Owners of the parent company		(5,187)	11,909
		<b>(5,204)</b>	<b>12,037</b>
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
Non-controlling interests		(17)	128
Owners of the parent company		(5,187)	11,909
		<b>(5,204)</b>	<b>12,037</b>

All amounts relate to continuing operations.

\*Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and exceptional items.

The notes on pages 21 to 44 form part of these financial statements.

**Gordon Ramsay Restaurants Limited**  
Registered number: 07360142

**Consolidated Statement of Financial Position  
as at 31 August 2020**


	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Intangible assets	12	377	474
Tangible assets	13	15,841	17,333
		<u>16,218</u>	<u>17,807</u>
<b>Current assets</b>			
Stocks	15	1,400	1,238
Debtors: amounts falling due after more than one year	16	765	765
Debtors: amounts falling due within one year	16	3,681	4,246
Cash and cash equivalents	17	2,089	2,613
		<u>7,935</u>	<u>8,862</u>
Creditors: amounts falling due within one year	18	(27,392)	(25,601)
<b>Net current liabilities</b>		<u>(19,457)</u>	<u>(16,739)</u>
<b>Total assets less current liabilities</b>		<u>(3,239)</u>	<u>1,068</u>
Creditors: amounts falling due after more than one year	19	(6,906)	(5,623)
<b>Provisions for liabilities</b>			
Deferred taxation	22	(286)	(140)
Other provisions	23	(6,493)	(7,025)
<b>Net liabilities</b>		<u>(16,924)</u>	<u>(11,720)</u>

**Gordon Ramsay Restaurants Limited**  
Registered number: 07360142

**Consolidated Statement of Financial Position (continued)**  
as at 31 August 2020

	Note	2020 £000	2019 £000
<b>Capital and reserves</b>			
Share capital	27	2	2
Foreign exchange reserve	28	(67)	(67)
Other reserves	28	1,100	1,100
Accumulated losses	28	(18,230)	(13,043)
<b>Equity attributable to owners of the parent company</b>		<u>(17,195)</u>	<u>(12,008)</u>
Non-controlling interests		271	288
		<u><u>(16,924)</u></u>	<u><u>(11,720)</u></u>

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

  
.....

**A Wenlock**  
Director

Date: 31/08/21

The notes on pages 21 to 44 form part of these financial statements.

# Gordon Ramsay Restaurants Limited


Registered number: 07360142

## Company Statement of Financial Position as at 31 August 2020

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Investments	14	3,038	3,038
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	5,749	5,730
Cash and cash equivalents	17	377	-
		<u>6,126</u>	<u>5,730</u>
Creditors: amounts falling due within one year	18	(10,443)	(10,687)
<b>Net current liabilities</b>		<u>(4,317)</u>	<u>(4,957)</u>
<b>Total assets less current liabilities</b>		<u>(1,279)</u>	<u>(1,919)</u>
Creditors: amounts falling due after more than one year	19	(6,906)	(5,623)
<b>Net liabilities</b>		<u><u>(8,185)</u></u>	<u><u>(7,542)</u></u>
<b>Capital and reserves</b>			
Share capital	27	2	2
Other reserves	28	3,036	3,036
Accumulated losses	28	(11,223)	(10,580)
		<u><u>(8,185)</u></u>	<u><u>(7,542)</u></u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £643,000 (2019 - £984,000).

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

  
 .....  
**A Wenlock**  
 Director

Date: 31/08/21

The notes on pages 21 to 44 form part of these financial statements.

## Gordon Ramsay Restaurants Limited

### Consolidated Statement of Changes in Equity for the Year Ended 31 August 2020

	Share capital £000	Foreign exchange reserve £000	Other reserves £000	Accumulated losses £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 September 2019	2	(67)	1,100	(13,043)	(12,008)	288	(11,720)
<b>Comprehensive loss for the year</b>							
Loss for the year	-	-	-	(5,187)	(5,187)	(17)	(5,204)
<b>At 31 August 2020</b>	<b>2</b>	<b>(67)</b>	<b>1,100</b>	<b>(18,230)</b>	<b>(17,195)</b>	<b>271</b>	<b>(16,924)</b>

### Consolidated Statement of Changes in Equity for the Year Ended 31 August 2019

	Share capital £000	Foreign exchange reserve £000	Other reserves £000	Accumulated losses £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 September 2018	2	(67)	1,100	(24,952)	(23,917)	160	(23,757)
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	11,909	11,909	128	12,037
<b>At 31 August 2019</b>	<b>2</b>	<b>(67)</b>	<b>1,100</b>	<b>(13,043)</b>	<b>(12,008)</b>	<b>288</b>	<b>(11,720)</b>

The notes on pages 21 to 44 form part of these financial statements.

## Gordon Ramsay Restaurants Limited

### Company Statement of Changes in Equity for the Year Ended 31 August 2020

	Share capital £000	Other reserves £000	Accumulated losses £000	Total equity £000
At 1 September 2019	2	3,036	(10,580)	(7,542)
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(643)	(643)
<b>At 31 August 2020</b>	<b>2</b>	<b>3,036</b>	<b>(11,223)</b>	<b>(8,185)</b>

### Company Statement of Changes in Equity for the Year Ended 31 August 2019

	Share capital £000	Other reserves £000	Accumulated losses £000	Total equity £000
At 1 September 2018	2	3,036	(9,596)	(6,558)
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(984)	(984)
<b>At 31 August 2019</b>	<b>2</b>	<b>3,036</b>	<b>(10,580)</b>	<b>(7,542)</b>

The notes on pages 21 to 44 form part of these financial statements.

## Gordon Ramsay Restaurants Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 August 2020

	2020 £000	2019 £000
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(5,204)	12,037
<b>Adjustments for:</b>		
Amortisation of intangible assets	112	94
Depreciation of tangible assets	2,455	2,152
Impairment of tangible fixed assets	59	480
Loss on disposal of tangible assets	41	98
Sale of US licence agreements	-	(15,539)
Interest charged to income statement	868	1,324
Taxation charged to the income statement	143	3,149
Increase in stocks	(162)	(82)
Decrease in debtors	565	491
Increase/(decrease) in creditors	1,132	(1,034)
(Decrease)/increase in provisions	(926)	39
UK and overseas corporation tax paid	(1,094)	(199)
<b>Net cash generated from operating activities</b>	<b>(2,011)</b>	<b>3,010</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(15)	(257)
Purchase of tangible fixed assets	(1,087)	(5,291)
Sale of tangible fixed assets	24	3
Loans from participating interests	-	15,539
<b>Net cash from investing activities</b>	<b>(1,078)</b>	<b>9,994</b>

# Gordon Ramsay Restaurants Limited

## Consolidated Statement of Cash Flows (continued) for the Year Ended 31 August 2020

	2020 £000	2019 £000
<b>Cash flows from financing activities</b>		
New secured bank loans	2,000	-
Repayment of bank loans	(400)	(4,530)
New/(repayment of) directors loans	643	(4,749)
Interest paid	(380)	(670)
Loans from participating interests	823	-
<b>Net cash used in financing activities</b>	<u>2,686</u>	<u>(9,949)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(403)</u>	<u>3,055</u>
Cash and cash equivalents at beginning of year	2,477	(578)
<b>Cash and cash equivalents at the end of year</b>	<u><u>2,074</u></u>	<u><u>2,477</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,089	2,613
Bank overdrafts	(15)	(136)
	<u><u>2,074</u></u>	<u><u>2,477</u></u>

# **Gordon Ramsay Restaurants Limited**

## **Notes to the Financial Statements for the Year Ended 31 August 2020**

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### **1. General information**

Gordon Ramsay Restaurants Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

These financial statements are presented in Pounds Sterling (GBP) and are reported to the nearest thousand.

The company has determined that GBP is its functional currency.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention 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 group management to exercise judgement in applying the group's accounting policies (see note 3).

#### **Parent company disclosure exemptions**

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the company and the parent company would be identical;
- No statement of cash flows has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

#### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

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### 2. Accounting policies (continued)

#### 2.3 Going concern

The COVID 19 pandemic has had a significant impact on the group. The group was required to close all of its sites in March 2020 at the start of the first Government imposed lockdown. The group was able to support its staff through the Government's Coronavirus job retention scheme, negotiate concessions from landlords across the estate, negotiate more flexible payment terms with key creditors as well as agreeing waivers and securing additional funding from its bank, and its major shareholder.

The group reopened all sites from July 2020, and there was a period of solid trading until a further lockdown in November 2020. There followed a two week re-opening and then a protracted closure from 4th January 2021 to 12th April 2021 after which trading resumed in outdoor settings only. On 17th May 2021 indoor dining returned, all restaurants were able to operate albeit with some ongoing restrictions, and since that date the group has traded consistently well and profitably. Sales are now close to or in line with pre-pandemic trading.

The group has been fully supported by its significant shareholder and its lenders throughout the 2020-2021 pandemic, with additional funding provided and waivers granted in respect of lending covenants. As further detailed in Notes 20 and 31 to the Financial Statements, final loan repayment dates have been deferred to February 2023, and there are also committed and undrawn funds in place from the group's bank and major shareholder.

The directors have prepared cashflow forecasts which indicate that the group will be able to meet its liabilities as they fall due for a period of at least 12 months from the approval of the financial statements. These projections anticipate a steady increase in trade as workers return to their offices, and London based leisure activity continues to re-establish, along with the returning international tourist market and the reopening of global travel corridors. The projections also reflect the benefit of mitigating actions the company and group have taken to reduce costs, as well as incorporating government support initiatives, including the ongoing business rates reduction and VAT reductions together with the benefit of improved lending terms from the group's bank and significant shareholder.

Given the current uncertainties, the directors have considered the potential consequences of declining business performance or further lockdowns arising from the pandemic. A scenario of declining sales in the Autumn has been evaluated. This contrasts with an expected steady improvement from the current date onwards, both from workers returning to London in significant numbers and the traditional pre-Christmas seasonal uplift. Modelling a slight decline over the three months to November 2021 from current trading levels instead of the expected growth would have a significant impact on profits, however the directors consider that the group would remain profitable and would be able to remain within its lending covenants, with appropriate mitigations to expenditure and expansion.

A yet more severe scenario, but not completely unforeseeable such as a lock-down and business closure over the important Christmas trading period has also been considered. Depending on the timing and duration this could result in breaches to lending agreements. Despite the undrawn funding from shareholder and lender, an enforced business closure in December 2021 could cause EBITDA and cash related covenants to be breached. The group has been fully supported by its significant shareholder and its lenders throughout the 2020-2021 pandemic, with additional funding provided and waivers granted in respect of lending covenants, and the directors believe that such support would again be given if required. The significant shareholder has confirmed to the group that in the event of a more severe scenario further support will be made available over the 12 month period following the approval of the financial statements.

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

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### 2. Accounting policies (continued)

#### 2.3 Going concern (continued)

The directors are comfortable that the business is operating profitably with the ability to withstand reasonably foreseeable severe downside scenarios should they arise. It is the expectation of the directors that they will be able to meet liabilities as they fall due over a period of at least 12 months, and accordingly preparation of the group's financial statements on the going concern basis is considered to be appropriate at the date the accounts are authorised for issue.

#### 2.4 Turnover

The group's revenues are derived from the sale of food and beverage, hotel rooms and related services provided to customers, and from consultancy services and licence fees for use of the group's brands.

##### *Food and beverage*

Revenue is recognised when the amounts are earned and can reasonably be estimated. These revenues are recorded net of value added tax and tips collected from customers and are recognised as the related services are delivered.

##### *Hotel rooms*

Hotel revenue, net of VAT, is recognised when the rooms are occupied and the services are performed. Deferred revenue consisting of deposits paid in advance is recognised as revenue when the related services are delivered.

##### *Consultancy services and licence fees*

Consultancy services are recognised when the services are provided to customers and are net of value added tax.

##### *Rental income*

Rental income is recognised when the services are provided to the customers and are net of value added tax.

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

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### 2. Accounting policies (continued)

#### 2.5 Intangible assets

##### Goodwill

Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the income statement over the directors' estimate of its useful economic life, which is 10 years. Impairment tests on the carrying value of goodwill are undertaken:

- in the period of acquisition and at the end of the first full financial year following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

##### Other 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.

All intangible assets, except development costs, 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.

Amortisation is provided on the following bases:

Software	- 15% straight line
Development costs	- 15% straight line

#### 2.6 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Leasehold land and buildings	- straight line over lease period
Fixtures, fittings and equipment	- 15% straight line
Assets under construction	- not depreciated

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

#### 2.7 Impairment of fixed assets and goodwill

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

# **Gordon Ramsay Restaurants Limited**

## **Notes to the Financial Statements for the Year Ended 31 August 2020**

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### **2. Accounting policies (continued)**

#### **2.8 Investments**

Investments held as fixed assets are shown at cost less provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

#### **2.9 Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

#### **2.10 Leased assets**

All leases are treated as operating leases. Their annual rentals are charged to the income statement on a straight-line basis over the term of the lease.

FRS 102 effectively requires that the benefit of lease incentives received on entering into new leases be spread over the lease term. Under previous UK GAAP these incentives were spread over the period to the next market rent review. The group has taken the optional exemption available under FRS 102 to continue to spread such incentives over the periods previously used for those leases entered into before the date of transition to FRS 102, being 1 September 2014.

The aggregate value of incentives received on the signing of a lease are treated as a reduction in the rent charge and allocated over the term of the lease.

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

#### **2.11 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 income statement in the year that the company becomes aware of the obligation, and are measured at the best estimate at the reporting 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 statement of financial position.

#### **2.12 Pensions**

##### **Defined contribution pension plan**

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

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

# **Gordon Ramsay Restaurants Limited**

## **Notes to the Financial Statements for the Year Ended 31 August 2020**

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### **2. Accounting policies (continued)**

#### **2.13 Debtors**

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

#### **2.14 Financial instruments**

The group 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 debtors and creditors, 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.

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 consolidated 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.

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 group would receive for the asset if it were to be sold at the reporting date.

#### **2.15 Creditors**

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

#### **2.16 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure.

# **Gordon Ramsay Restaurants Limited**

## **Notes to the Financial Statements for the Year Ended 31 August 2020**

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### **2. Accounting policies (continued)**

#### **2.17 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated 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 and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

#### **2.18 Foreign currency translation**

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Any differences are taken to the income statement.

The results of overseas operations are translated at the average rates of exchange during the year and the statement of financial position translated into Sterling at the rates of exchange ruling on the reporting date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

All other differences are taken to the income statement with the exception of differences on foreign currency borrowings used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

# **Gordon Ramsay Restaurants Limited**

## **Notes to the Financial Statements for the Year Ended 31 August 2020**

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### **2. Accounting policies (continued)**

#### **2.19 Joint ventures**

An entity is treated as a joint venture where the group holds a long term interest and shares control under a contractual agreement.

In the group accounts, interests in joint ventures are accounted for using the gross equity method of accounting. The consolidated statement of comprehensive income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings. In the consolidated statement of financial position, the interests in joint ventures is shown as the group's share of the identifiable net assets.

#### **2.20 Interest income**

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

#### **2.21 Borrowing costs**

All borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

#### **2.22 Exceptional items**

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

#### **2.23 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 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:

- Determine whether leases entered into by the group are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are onerous leases which due to committed future periods of rental charges result in unavoidable costs not covered by trading or other uses of the lease.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 13)**  
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 a 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.  
Determining whether the company's fixed assets have any indicators of impairment. Where such indicators exist, the directors estimate the value in use using discounted future cash flows. Assessments include the review of current trading performance and future expected cash flows expected to arise from each cash generating unit.
- **Investments (see note 14)**  
Determining whether the company's investments in its subsidiaries have any indicators of impairment. Where such indicators exist, the directors estimate the recoverable amount of the investment. Assessments include the review of current trading performance and future expected cash flows expected to arise from the investments. The carrying amount of the investments in the subsidiaries at the reporting date was £3,037,265 (2019 - £3,037,265) with no provisions recognised in 2020 or 2019.

### 4. Exceptional items

	2020 £000	2019 £000
Legal and compliance costs	157	317
Pre-opening costs	528	1,061
(Decrease)/increase in provisions (see note 23)	(156)	722
Loss on disposal of fixed assets	41	98
Impairment of fixed assets	59	480
Gain on sale of US licence agreements	-	(14,818)
	<b>629</b>	<b>(12,140)</b>

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 5. Turnover

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	32,886	49,259
Rest of the world	1,626	5,480
	<u>34,512</u>	<u>54,739</u>

Turnover is wholly attributable to the principal activity of the group.

### 6. Other operating income

	2020 £000	2019 £000
Other operating income	<u>3,215</u>	<u>-</u>

Other operating income relates to a government grant of £3,215,000 that was received by the group in respect of the Coronavirus Job Retention Scheme ("CJRS").

### 7. Operating (loss)/profit

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

	2020 £000	2019 £000
Depreciation of tangible fixed assets	2,455	2,152
Amortisation of intangible fixed assets	112	94
<b>Auditors' remuneration:</b>		
- fees payable to the group's current auditor for the audit of the company's annual accounts	50	30
- fees payable to the group's current auditor for the audit of the subsidiaries' annual accounts	113	78
- other taxation services	84	69
- all other services	57	40
Exchange differences	76	(119)
Operating lease rentals	<u>5,325</u>	<u>6,664</u>

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 8. Employees

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

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Wages and salaries	14,336	16,262	-	-
Social security costs	1,437	1,669	-	-
Cost of defined contribution scheme	385	341	-	-
	<u>16,158</u>	<u>18,272</u>	<u>-</u>	<u>-</u>

Wages and salaries are shown gross of CJRS (see note 6).

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

	2020 No.	2019 No.
Head office	52	61
Restaurant staff	860	797
Directors	2	2
	<u>914</u>	<u>860</u>

### 9. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	<u>493</u>	<u>417</u>

The highest paid director received remuneration of £493,000 (2019 - £417,000).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2019 - £Nil).

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 10. Interest payable and similar charges

	2020 £000	2019 £000
Bank interest payable	380	675
Release of deferred loan fee	94	280
Unwinding of the discounted future costs (see note 23)	394	369
	<u>868</u>	<u>1,324</u>

### 11. Taxation

	2020 £000	2019 £000
<b>Corporation tax</b>		
Current tax on profits for the year	22	2,837
Double taxation relief	(22)	(29)
	<u>-</u>	<u>2,808</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	(3)	191
<b>Total current tax</b>	<u>(3)</u>	<u>2,999</u>

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 11. Taxation (continued)

#### Deferred tax

Origination and reversal of timing differences	146	153
Adjustments in respect of previous periods	-	(3)
<b>Total deferred tax</b>	<b>146</b>	<b>150</b>
<b>Taxation on (loss)/profit on ordinary activities</b>	<b>143</b>	<b>3,149</b>
<b>Factors affecting tax charge for the year</b>		

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	2020 £000	2019 £000
(Loss)/profit on ordinary activities before tax	(5,061)	15,186
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	(962)	2,885
<b>Effects of:</b>		
Fixed asset differences	320	301
Expenses not deductible for tax purposes	11	19
Foreign tax - other	(41)	22
Adjustments in respect of prior periods - deferred tax	-	(3)
Deferred tax not recognised	815	(36)
Other differences	-	(39)
<b>Total tax charge for the year</b>	<b>143</b>	<b>3,149</b>

#### Factors that may affect future tax charges

In addition to the deferred tax liability of £285,853 (2019 - £140,597) that has been recognised (see note 22), a deferred tax asset of £1,455,258 (2019 - £872,416) was not recognised in respect of losses carried forward in different group companies, as there was insufficient evidence that those losses would be recovered.

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 12. Intangible assets

#### Group

	Software £000	Goodwill £000	Total £000
<b>Cost</b>			
At 1 September 2019	445	961	1,406
Additions	15	-	15
At 31 August 2020	460	961	1,421
<b>Amortisation</b>			
At 1 September 2019	56	876	932
Charge for the year	69	43	112
At 31 August 2020	125	919	1,044
<b>Net book value</b>			
At 31 August 2020	335	42	377
At 31 August 2019	389	85	474

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 13. Tangible fixed assets

#### Group

	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Assets under construction £000	Total £000
<b>Cost</b>				
At 1 September 2019	24,482	10,605	100	35,187
Additions	397	632	58	1,087
Disposals	(19)	(6)	(42)	(67)
Transfers between classes	11	-	(11)	-
At 31 August 2020	24,871	11,231	105	36,207
<b>Depreciation</b>				
At 1 September 2019	10,852	7,002	-	17,854
Charge for the year	1,480	975	-	2,455
Disposals	-	(2)	-	(2)
Impairment charge	24	35	-	59
At 31 August 2020	12,356	8,010	-	20,366
<b>Net book value</b>				
At 31 August 2020	12,515	3,221	105	15,841
At 31 August 2019	13,630	3,603	100	17,333

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 14. Fixed asset investments

#### Company

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 September 2019	3,038
At 31 August 2020	3,038
<b>Net book value</b>	
At 31 August 2020	3,038
At 31 August 2019	3,038

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the statement of financial position.

#### *Subsidiary undertakings, associated undertakings and other investments*

#### **Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Principal activity	Class of shares	Holding
Gordon Ramsay Holdings Limited	UK	Holding company	Ordinary	99%
Gordon Ramsay Holdings International Limited	UK	Holding company	Ordinary	100%
Artichoke Consultancy Limited*	UK	Holding company	Ordinary	99%
Gordon Ramsay (Royal Hospital Road) Limited*	UK	Operating a restaurant	Ordinary	99%
Gordon Ramsay at Claridge's Limited*	UK	Not trading	Ordinary	99%
Gordon Ramsay at the Connaught Limited*	UK	Not trading	Ordinary	99%
Gordon Ramsay at the Berkeley Limited*	UK	Not trading	Ordinary	99%
Gordon Ramsay (Maze) Limited*	UK	Not trading	Ordinary	89%
Gordon Ramsay (St James's) Limited*	UK	Not trading	Ordinary	89%
Gordon Ramsay (No. 1) Limited*	UK	Operating a restaurant	Ordinary	99%
La Noisette Restaurant Limited*	UK	Not trading	Ordinary	99%
Gordon Ramsay at the Savoy Grill Limited*	UK	Not trading	Ordinary	99%

## Gordon Ramsay Restaurants Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 14. Fixed asset investments (continued)

London House Operating Company Limited*	UK	Not trading	Ordinary	99%
Gordon Ramsay (Narrow Street) Limited*	UK	Operating a restaurant	Ordinary	99%
London House Restaurants Limited*	UK	Not trading	Ordinary	100%
G R Logistics Limited*	UK	Not trading	Ordinary	100%
Foxtrot Oscar Holdings Limited*	UK	Holding company	Ordinary	100%
Foxtrot Oscar Limited*	UK	Operating a restaurant	Ordinary	100%
Gordon Ramsay (York and Albany) Limited*	UK	Operating a restaurant and hotel	Ordinary	100%
Gordon Ramsay Plane Food Limited*	UK	Operating a restaurant	Ordinary	100%
Gordon Ramsay (No. 2) Limited*	UK	Operating a restaurant	Ordinary	100%
Gordon Ramsay (One New Change) Limited*	UK	Operating a restaurant	Ordinary	100%
Petrus (Kinnerton Street) Limited*	UK	Operating a restaurant	Ordinary	99%
Union Street Cafe Limited	UK	Operating a restaurant	Ordinary	100%
Busyn Limited*	UK	Operating a restaurant	Ordinary	100%
Sparkle Restaurants Limited*	UK	Not trading	Ordinary	99%
Gordon Ramsay International Talent Limited*	UK	Not trading	Ordinary	99%
G R BurGR LLC*	USA	Not trading	Ordinary	50%
The Fat Cow LLC*	USA	Not trading	Ordinary	50%
Bread Street Kitchen Pte Limited	Singapore	Restaurant franchise income	Ordinary	100%
GR Macau Limited	Hong Kong	Not trading	Ordinary	100%
RB Restaurant Ventures LLC*	USA	Not trading	Ordinary	100%
GR US Topco LLC	USA	Holding company	Ordinary	100%
GR US Opco No. 1 LLC*	USA	Holding company	Ordinary	100%
GR US Licensing LP	USA	Not trading	Ordinary	99.8%
GR US General Partner LLC	USA	Holding company	Ordinary	100%
The Fat Cow LA LP*	USA	Not trading	Ordinary	49%
BS Restaurant Ventures LLC*	USA	Not trading	Ordinary	100%

\*indirectly held

All companies incorporated in the United Kingdom have the same registered office as Gordon Ramsay Restaurants Limited (see company information page).

The registered office of G R BurGR LLC, The Fat Cow LLC and The Fat Cow LA LP is 200 Central Park South, 19th Floor, NY NY 10019, USA.

The registered office of Bread Street Kitchen Pte Limited is 1 Marina Boulevard, #28-00 1 Marina Boulevard, Singapore, 018989.

The registered office of GR US Licensing LP, GR US General Partner LLC, GR US Topco LLC and BS Restaurant Ventures LLC is 1201 North Market Street, 18th Floor Wilmington, DE 19801.

The registered office of GR US Opco No.1 LLC and RB Restaurant Ventures LLC is 11377 West Olympic Blvd, Los Angeles, CA 90064, USA.

The registered office of GR Macau Limited is Avenida da Praia Grande, No. 409, China Law Building, 21st/F, Macau.

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 15. Stocks

	Group 2020 £000	Group 2019 £000
Raw materials and consumables	1,400	1,238

Stock recognised in cost of sales during the year as an expense was £8,318,714 (2019 - £12,440,858).

### 16. Debtors

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
<b>Due after more than one year</b>				
Other debtors	765	765	-	-
<b>Due within one year</b>				
Trade debtors	520	674	-	-
Amounts owed by group undertakings	-	-	5,749	5,195
Other debtors	2,044	2,218	-	535
Prepayments and accrued income	1,117	1,354	-	-
	<b>3,681</b>	<b>4,246</b>	<b>5,749</b>	<b>5,730</b>

### 17. Cash and cash equivalents

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Cash at bank and in hand	2,089	2,613	377	-
Less: bank overdrafts	(15)	(136)	-	(135)
	<b>2,074</b>	<b>2,477</b>	<b>377</b>	<b>(135)</b>

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 18. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank overdrafts	15	136	-	135
Bank loans	3,406	2,996	3,406	2,996
Trade creditors	4,028	3,971	18	-
Amounts owed to group undertakings	-	-	3,658	5,938
Amounts owed to other participating interests	2,155	1,332	1,875	1,052
Corporation tax	1,897	2,994	-	-
Other taxation and social security	2,249	2,110	769	-
Other creditors	2,310	1,116	-	-
Directors' loan (see note 29)	8,020	7,377	536	536
Accruals and deferred income	3,312	3,569	181	30
	<u>27,392</u>	<u>25,601</u>	<u>10,443</u>	<u>10,687</u>

### 19. Creditors: Amounts falling due after more than one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans	<u>6,906</u>	<u>5,623</u>	<u>6,906</u>	<u>5,623</u>

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 20. Loans

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
<b>Amounts falling due within one year</b>				
Bank loans	3,406	2,996	3,406	2,996
<b>Amounts falling due 1-2 years</b>				
Bank loans	906	1,000	906	1,000
<b>Amounts falling due 2-5 years</b>				
Bank loans	6,000	4,623	6,000	4,623
	<u>10,312</u>	<u>8,619</u>	<u>10,312</u>	<u>8,619</u>

The bank loans are secured on a group basis and personal guarantees of the directors (see note 29). The bank loans are shown net of issue unamortised costs of £233,794 (2019 - £327,310).

As further described in note 31 (Post balance sheet events), on 8th July 2021 the Company amended various borrowing terms with its lending bank. All loan repayment dates were aligned with the main facility repayment date and all the bank loans referred to in notes 18, 19 and 20 would now be categorised as "Amounts falling due within 2-5 years". This loan amendment is a "non-adjusting" post balance sheet event, and as such the categorisations as to when the loans fall due in notes 18, 19 and 20 reflect the terms which existed at the balance sheet date, and not the more recently agreed terms.

### 21. Financial instruments

	Group 2020 £000	Group 2019 £000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>5,088</u>	<u>5,689</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(29,773)</u>	<u>(25,566)</u>

Financial assets measured at amortised cost comprise cash, trade and other debtors, amounts owed by joint ventures and associated undertakings.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors and other creditors and accrued expenses.

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 22. Deferred taxation

#### Group

	2020 £000	2019 £000
(Liability)/asset at beginning of year	(140)	11
Charged to profit or loss	(146)	(151)
<b>Liability at end of year</b>	<b>(286)</b>	<b>(140)</b>
	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>
Accelerated capital allowances	(306)	(160)
Short term timing differences	20	20
	<b>(286)</b>	<b>(140)</b>

### 23. Provisions

#### Group

	Onerous lease provision £000	Provision relating to joint venture £000	Total £000
At 1 September 2019	6,838	187	7,025
Credited to the income statement (see note 4)	(156)	-	(156)
Unwinding of discounted future costs (see note 10)	394	-	394
Utilised in year	(770)	-	(770)
<b>At 31 August 2020</b>	<b>6,306</b>	<b>187</b>	<b>6,493</b>

The onerous lease provision relates to the leases of the York and Albany, London House, Maze Grill Royal Hospital Road in relation to their restaurants and hotels.

### 24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £385,000 (2019 - £341,000). Contributions totalling £223,000 (2019 - £155,000) were payable to the fund at the reporting date.

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 25. Commitments under operating leases

At 31 August 2020 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £000	Group 2019 £000
Not later than 1 year	6,240	6,415
Later than 1 year and not later than 5 years	26,101	25,660
Later than 5 years	23,680	28,455
	56,021	60,530

### 26. Financial commitments

In the year ended 31 August 2018, a new banking facility was entered into with Barclays. This is an increased 5 year facility that will mature in February 2023. See notes 20 and 31 for further information.

A group loan facility is secured by a debenture over the present and future assets of the company and personal guarantees from the directors (see note 29). Interest plus LIBOR dependent on the leverage ratio of the group.

### 27. Share capital

	2020 £000	2019 £000
<b>Allotted, called up and fully paid</b>		
214,300 Ordinary shares of £0.01 each	2	2

### 28. Reserves

#### Foreign exchange reserve

This is the gain arising on retranslating the net assets/liabilities of overseas operations into Pounds Sterling.

#### Other reserves

Company - These are share based payments made by the company on behalf of the subsidiary of the company.

Group - This is a reserve arising as a result of a past business combination accounted for as a merger in accordance with UK GAAP and applicable law.

#### Accumulated losses

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

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 29. Related party transactions

As at 31 August 2020, G J Ramsay had given personal guarantees totalling £5,000,000 (2019 - £5,000,000) in respect of the group's banking facility.

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

During the year, the group was charged operating lease rentals of £300,000 (2019 - £300,000). At the year end, an amount of £150,000 (2019 - £Nil) are due to a landlord which shares a common ultimate controlling party. Accordingly these transactions are related party transactions.

The below entities were considered related parties as they share common directors with the company and are controlled by the same ultimate controlling party. The following amounts were due from/(owed to) the below related parties at the reporting date as a result of the group's financing, management and trading activities:

	As at 1 September 2019 £000	Net movements £000	As at 31 August 2020 £000
Gordon Ramsay Holdings Limited	(4,038)	1,905	(2,133)
Gordon Ramsay (Maze) Limited	583	(65)	518
Gordon Ramsay (Royal Hospital Road) Limited	486	87	573
Petrus (Kinnerton Street) Limited	423	(26)	397
Gordon Ramsay (Narrow Street) Limited	(209)	209	-
Gordon Ramsay (No. 1) Limited	192	84	276
Sparkle Restaurants Limited	(45)	(1)	(46)
Humble Pie Media Limited	(1,332)	(823)	(2,155)
Gordon Ramsay North America, LLC	36	-	36
Humble Pie Productions Limited	25	(9)	16

The following directors had loans owing from the company during the year. The movement on these loans (included within creditors) are as follows:

	As at 1 September 2019 £000	Net movements £000	As at 31 August 2020 £000
G J Ramsay	7,377	643	8,020

### 30. Ultimate controlling party

G J Ramsay is the ultimate controlling party of the company.

# Gordon Ramsay Restaurants Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 31. Post balance sheet events

After the balance sheet date there was a second government mandated closure in November 2020 followed by a protracted closure between 4th January 2021 and 12th April 2021. All restaurants were fully closed during these "lockdowns", with the exception of Plane Food at Heathrow Airport which remained open during the 2021 lockdown. As with the previous 2020 lockdown, these closures had a significant impact on the business resulting in furloughing of staff, changes in rent profiles, and deferral of certain liabilities. The group continued to receive support from its significant shareholder and bank, with new funds lent in by both as required.

A number of amendments were made to the group's bank and shareholder loan facilities, the most recent being on 8th July 2021. Significant elements of these amendments are:-

- bank loan end dates have been aligned and all now fall due between 2 and 5 years;
- establishing committed but as yet undrawn loans totalling £2m from both the group's bank and major shareholder, further to an already existing and currently undrawn overdraft facility of up to £1m;
- waivers were granted, and short term "pandemic" related covenants are in place until May 2022.

On 12th April 2021 a group member, Busyn Ltd agreed a loan facility with a local government authority to borrow up to £1,850,000, for the purpose of fitting out and paying rent on two new trading locations. The loan term is 25 years, with an interest rate of 3.5% and at the date these Financial Statements were approved for signature, £1,304,089 had been drawn under this facility.

### 32. Analysis of net debt

	At 1 September 2019 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2020 £000
Cash at bank and in hand	2,613	(524)	-	2,089
Bank overdrafts	(136)	121	-	(15)
Debt due after 1 year	(5,623)	(1,096)	(187)	(6,906)
Debt due within 1 year	(2,996)	(504)	94	(3,406)
	<u>(6,142)</u>	<u>(2,003)</u>	<u>(93)</u>	<u>(8,238)</u>