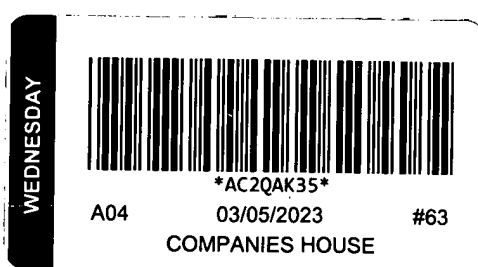


Company registration number 07329196 (England and Wales)

UNION STREET CAFE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 AUGUST 2022



UNION STREET CAFE LIMITED

COMPANY INFORMATION

Directors	G J Ramsay A Wenlock
Company number	07329196
Registered office	539-547 Wandsworth Road London United Kingdom SW8 3JD
Auditor	BDO LLP Chartered Accountants 55 Baker Street London United Kingdom W1U 7EU

UNION STREET CAFE LIMITED

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UNION STREET CAFE LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 28 AUGUST 2022

The directors present the strategic report together with the audited financial statements for the period ended 28 August 2022.

Principal activities

The principal activity of Union Street Cafe Limited continued to be that of operating restaurants within the Gordon Ramsay Restaurants Limited group, including the majority of the Gordon Ramsay Street Pizza and Gordon Ramsay Street Burger restaurants, and recent additions to the Bread Street Kitchen format. Other restaurants within the group that trade within this company include Lucky Cat, Heddon Street Kitchen and Gordon Ramsay Bar and Grill restaurants at Grosvenor Square Mayfair and Park Walk in Chelsea.

Business review

The company successfully continued with its expansion strategy with four new restaurants openings during the financial period, all of which were restaurants operated by Union Street Café Limited.

In the Premium Casual category, the Bread Street Kitchen brand has seen new restaurants opening in Edinburgh (November 2021) and Liverpool (February 2022). The Directors plan to continue with the expansion of the Bread Street Kitchen & Bar brand more widely across the United Kingdom, and there was a notable opening after the year end in Battersea Power Station (November 2022).

In the Casual Dining category, the group added two Street Burgers, one in Reading (September 2021) and in Farringdon (April 2022). At 28 August 2022 there were four Street Pizza locations (2021 – four) and nine Street Burger locations (2021 – seven) trading.

The company's turnover increased to £37,584k (2021: £9,086k), as a result of twelve months of uninterrupted trading and the opening of new restaurants during the period. The operating loss for the period before tax was £3,871k (2021: £3,711k).

Exceptional costs were £3.3m (2021: £0.8m), the most significant element being pre-opening costs associated with launching new restaurants, and these are detailed in Note 10 to the financial statements.

As the company continues to grow, the directors are actively managing the estate and identifying sites requiring improved performance or alternative uses. During the period this has resulted in the decision to impair three additional sites alongside recognising three onerous lease provisions. These actions have resulted in a net loss in the income statement of £1.4m (see note 10 for further details).

New financing facilities were arranged in May 2022, and capital invested into new restaurants and into maintaining the existing estate was £5.9m (2021: £2.8m).

Future developments

The group remains committed to and on course with its growth strategy.

Key performance indicators (KPI)

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

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

Income statement summary

	2022	2021
	£'000	£'000
Turnover	37,584	9,086
Gross Profit	16,250	2,708
Adjusted EBITDA*	855	(1,642)

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

UNION STREET CAFE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 AUGUST 2022

Going concern

The company is party to a cross guarantee in relation to debt held by the group headed by Gordon Ramsay Restaurants Limited and the group receives and provides support as required by the company. Accordingly, the going concern assessment has been considered in relation to the wider group and the company.

The directors have prepared a base case forecast which indicates that the group will be able to meet its liabilities as they fall due and meet lending covenants for a period of at least 12 months from the approval of the financial statements. These projections anticipate only a moderate increase in trade, mainly over periods where trading was subdued or unusually suppressed in the preceding year.

Given current economic headwinds, in particular the rising cost of living, the directors have considered a foreseeable severe downside scenario with the group impacted by significantly reduced trade over a prolonged period through to May 2024. The group has modelled a 20% reduction in sales in those restaurants which had been opened before August 2022 period end, which equates to an overall reduction of 9% when including restaurants opened or planned to open subsequently. The 20% reduction in sales that has been modelled is as severe as that which was seen over the Omicron period between late November 2021 and February 2022. Through a combination of reduced capital expenditure and cost reduction the directors believe that impact of this magnitude would not leave the group with cash shortages, and that lending covenants would continue to be met.

The group's significant shareholder has confirmed that if necessary financial support would be made available to the group over the twelve-month period following approval of the financial statements in the event of any severe downturn.

Accordingly, the directors consider the going concern assumption in the preparation of the financial statements to be appropriate as at the date the accounts are authorised for issue.

Principal risks and uncertainties

The principal risks faced by the group, both internal and external are constantly monitored by the directors and the executive management team. As the business grows and evolves, the management team continue to develop and implement new risk management processes to help identify, monitor, and measure risks as they emerge. This ensures that the Board can undertake appropriate actions in a timely manner.

The UK economy continues to see significant impacts and risks arising from geo-political issues, with international tensions and war in Europe, together with global supply chain challenges and inflationary pressures impacting commodity, food and utility prices.

The variety of concepts and choice of location throughout London, together with the commencement of expansion across the UK, as well as the group's international licensing agreements help to minimise any risk of dependency on one brand or economic area.

Capital risk management

The company 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 company consists of equity (this being issue share capital and retained earnings), inter-company balances, cash and cash equivalents. The company monitors its capital structure on a regular basis through cash flow reporting and forecasting.

Liquidity risk

The company 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. To manage liquidity risk, the company prepares regular working capital forecasts to assess cash requirements. The risk posed by liquidity has been considered and the directors are satisfied that there is sufficient funding available in the company to meet its requirements.

Interest rate risk

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

UNION STREET CAFE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 AUGUST 2022

Employees

Consistent delivery of the highest possible standard of service to the company's guests depends on recruiting, training, managing and retaining teams of the highest quality. The company is committed to the welfare of its staff and ensuring that all employees are given opportunities and are encouraged to develop with the company.

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

The company is an equal opportunity 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 person whenever a suitable vacancy arises. Continued employment and re-training of employees who become disabled whilst employed within the company is ensured. The company provides career development, training and promotion of disabled employees with a view to encourage them to play an active role in the development of the company.

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

DocuSigned by:

Andy Wenlock

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A Wenlock

Director

4/5/2023

Date:

UNION STREET CAFE LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 28 AUGUST 2022

The directors present their annual report and financial statements for the period ended 28 August 2022.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

G J Ramsay
A Wenlock

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the statement of comprehensive income 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; and
- 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.

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 1 - 3.

Statement of disclosure 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 are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Change in accounting period

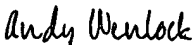
Financial statements were prepared for the 52 week period ended 28 August 2022.

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**

DocuSigned by:

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Date: 4/5/2023

UNION STREET CAFE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNION STREET CAFE LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 August 2022 and of its loss for the period 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.

We have audited the financial statements of Union Street Cafe Limited ("the Company") for the period ended 28 August 2022 which comprise the Statement of Comprehensive Income for the period ended 28 August 2022, Statement of Financial Position as at 28 August 2022, Statement of Changes in Equity for the period ended 28 August 2022, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Reports 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

UNION STREET CAFE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF UNION STREET CAFE LIMITED

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and the Directors' report for the financial 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.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

- We obtained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the significant laws and regulations to be those relating to the industry, financial reporting framework and tax legislation. We considered management override of controls, revenue recognition and key estimates and judgements as potential areas of irregularity including fraud.
- We held discussion with management to consider any known or suspected instances of non-compliance with laws and regulations or fraud identified by them.
- Based on the understanding obtained we designed audit procedures to identify non compliance with the laws and regulations, as noted above. This included enquiries of management, review of board minutes, and review of relevant correspondence.

UNION STREET CAFE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF UNION STREET CAFE LIMITED

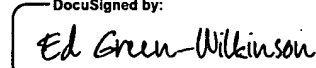
- We agreed a sample of journal entries to supporting documentation, focusing on journal entries containing characteristics of audit interest such as manual journals and journals relating to revenue.
- We tested and challenged the key estimates and judgements made by management in preparing the financial statements for indications of bias or management override when presenting the results and financial position of the Group and the Parent Company.
- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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 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.

DocuSigned by:

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Ed Green-Wilkinson (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

Date: 06 April 2023

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

UNION STREET CAFE LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIOD ENDED 28 AUGUST 2022**

		28 August 2022	31 August 2021
	Notes	£	£
Turnover	4	37,584,073	9,086,241
Cost of sales		(21,333,634)	(6,378,545)
Gross profit		16,250,439	2,707,696
Administrative expenses		(20,247,043)	(7,603,509)
Other operating income	5	125,647	1,195,430
Adjusted EBITDA *		854,872	(1,641,637)
Depreciation and amortisation		(1,410,980)	(1,300,061)
Exceptional administrative expenses	10	(3,314,849)	(758,685)
Operating loss	6	(3,870,957)	(3,700,383)
Interest payable and similar expenses	8	-	(10,323)
Loss before taxation		(3,870,957)	(3,710,706)
Tax on loss	9	169,088	-
Loss for the financial period		(3,701,869)	(3,710,706)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

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

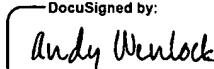
The notes on pages 11 to 24 form part of these financial statements.

UNION STREET CAFE LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 28 AUGUST 2022**

	Notes	28 August 2022 £	31 August 2021 £
Fixed assets			
Intangible assets	11	25,314	-
Tangible assets	12	13,446,134	9,683,767
Investments	13	100	100
		<u>13,471,548</u>	<u>9,683,867</u>
Current assets			
Stock	14	549,784	438,848
Debtors falling due after more than one year	15	567,875	567,875
Debtors falling due within one year	15	4,693,215	2,439,747
Cash at bank and in hand		1,027,632	369,801
		<u>6,838,506</u>	<u>3,816,271</u>
Creditors: amounts falling due within one year	16	<u>(39,097,650)</u>	<u>(29,110,132)</u>
Net current liabilities		<u>(32,259,144)</u>	<u>(25,293,861)</u>
Total assets less current liabilities		<u>(18,787,596)</u>	<u>(15,609,994)</u>
Provisions for liabilities			
Provisions	17	(693,355)	-
Deferred tax liability	18	-	(169,088)
		<u>(693,355)</u>	<u>(169,088)</u>
Net liabilities		<u>(19,480,951)</u>	<u>(15,779,082)</u>
Capital and reserves			
Called up share capital	19	1	1
Accumulated losses	20	(19,480,952)	(15,779,083)
Total equity		<u>(19,480,951)</u>	<u>(15,779,082)</u>

The notes on pages 11 to 24 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 4/5/2023 and are signed on its behalf by:

DocuSigned by:

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 A Wenlock
 Director

Company Registration No. 07329196

UNION STREET CAFE LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD ENDED 28 AUGUST 2022**

	Share capital	Accumulated losses	Total
	£	£	£
Balance at 1 September 2020	1	(12,068,377)	(12,068,376)
Year ended 31 August 2021:			
Loss and total comprehensive loss for the year	-	(3,710,706)	(3,710,706)
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2021	1	(15,779,083)	(15,779,082)
Period ended 28 August 2022:			
Loss and total comprehensive loss for the period	-	(3,701,869)	(3,701,869)
	<hr/>	<hr/>	<hr/>
Balance at 28 August 2022	<u>1</u>	<u>(19,480,952)</u>	<u>(19,480,951)</u>

The notes on pages 11 to 24 form part of these financial statements.

UNION STREET CAFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 AUGUST 2022

1 General information

Union Street Cafe 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 operation 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 pound.

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 the 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 following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26 (in relation to those cross-referenced paragraphs within 12.26 from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), 12.29A and 12.30; and
- the requirements of Section 33 Related Party Disclosure paragraph 33.7.

This information is included in the consolidated financial statements of Gordon Ramsay Restaurants Limited as at 28 August 2022 and these financial statements may be obtained from Companies House.

UNION STREET CAFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 AUGUST 2022

2 Accounting policies

(Continued)

2.3 Going concern

The company is party to a cross guarantee in relation to debt held by the group headed by Gordon Ramsay Restaurants Limited and the group receives and provides support as required by the company. Accordingly, the going concern assessment has been considered in relation to the wider group and the company.

The directors have prepared a base case forecast which indicates that the group will be able to meet its liabilities as they fall due and meet lending covenants for a period of at least 12 months from the approval of the financial statements. These projections anticipate only a moderate increase in trade, mainly over periods where trading was subdued or unusually suppressed in the preceding year.

Given current economic headwinds, in particular the rising cost of living, the directors have considered a foreseeable severe downside scenario with the group impacted by significantly reduced trade over a prolonged period through to May 2024. The group has modelled a 20% reduction in sales in those restaurants which had been opened before August 2022 period end, which equates to an overall reduction of 9% when including restaurants opened or planned to open subsequently. The 20% reduction in sales that has been modelled is as severe as that which was seen over the Omicron period between late November 2021 and February 2022. Through a combination of reduced capital expenditure and cost reduction the directors believe that impact of this magnitude would not leave the group with cash shortages, and that lending covenants would continue to be met.

The group's significant shareholder has confirmed that if necessary financial support would be made available to the group over the twelve-month period following approval of the financial statements in the event of any severe downturn.

Accordingly, the directors consider the going concern assumption in the preparation of the financial statements to be appropriate as at the date the accounts are authorised for issue.

2.4 Turnover

Turnover represents amounts receivable for food, beverage and service fees net of value added tax and tips. Turnover is recognised at the point of sale of the goods or the supply of services.

2.5 Intangible fixed assets other than goodwill

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 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.

Software	15% straight line
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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.

Land and buildings Leasehold	over lease period
Fixtures, fittings and equipment	15% straight line
Assets under construction	not depreciated
Short-term fixed assets	33% straight line

UNION STREET CAFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 AUGUST 2022

2 Accounting policies

(Continued)

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

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

2.7 Impairment of fixed assets

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

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stock

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 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.

2.11 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.

UNION STREET CAFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 AUGUST 2022

2 Accounting policies

(Continued)

2.12 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 reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the 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; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in statement of comprehensive income in the period in which it arises.

2.14 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. The assets of the plan are held separately from the company in independently administered funds.

2.15 Leased assets

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

UNION STREET CAFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 AUGUST 2022

2 Accounting policies

(Continued)

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 the statement of comprehensive income 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 statement of comprehensive income in the same period as the related expenditure.

2.17 Exceptional items

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

Exceptional items and adjusted EBITDA have been disclosed separately as a non-GAAP disclosure to help users understand the underlying performance of the business.

3 Judgements and key sources of estimation uncertainty

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

- Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risk and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determined whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty:

- Intangible and tangible fixed assets (see notes 11 and 12)
Tangible fixed assets are depreciated and intangible fixed assets are amortised 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 value.
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.
- Onerous leases (see note 17).
On determining that an onerous lease exists the committed unavoidable costs arising from these are recorded at their discounted present value. The key estimates included within this include the estimate of the unavoidable costs and the discount rate applied to these to give a present value. A 1% increase in discount rate decreases provision by £12k and a 1% decrease in discount rate increases provision by £13k.

4 Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

UNION STREET CAFE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 28 AUGUST 2022****5 Other operating income**

	2022	2021
	£	£
Government grants - Coronavirus Job Retention Scheme ("CJRS")	6,299	960,049
Other government grants	76,000	174,475
Other income	43,348	60,906
	<u>125,647</u>	<u>1,195,430</u>

Other government grants consist of local government support grants received by the company.

6 Operating loss

The operating loss is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	1,409,325	1,300,060
Amortisation of intangible fixed assets	1,655	-
Operating lease rentals	4,457,321	2,419,502
Fees payable to the parent company's auditor and its associates in respect of audit services	<u>105,750</u>	<u>61,288</u>

All non-audit fees payable to the parent company's auditor are borne by another group company.

Operating lease rentals above is the expense recorded after recognising in the income statement COVID-19 related rent concession received of £11,120 (2021: £315,000).

7 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2022	2021
	Number	Number
Restaurant Staff	581	248
Directors	<u>2</u>	<u>2</u>
Total	<u>583</u>	<u>250</u>

UNION STREET CAFE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 28 AUGUST 2022****7 Employees****(Continued)**

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	10,048,108	3,609,647
Social security costs	887,495	328,851
Pension costs	164,379	74,825
	<u>11,099,982</u>	<u>4,013,323</u>

Wages and salaries are shown gross of CJRS (see note 5).

During the period, no director received any emoluments (2021: £Nil).

8 Interest payable and similar expenses

	2022	2021
	£	£
Bank interest payable	-	10,323
	<u>-</u>	<u>10,323</u>

9 Taxation

	2022	2021
	£	£
Corporation tax		
UK income tax	-	-
	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(169,088)	-
	<u>(169,088)</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>(169,088)</u>	<u>-</u>

UNION STREET CAFE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 28 AUGUST 2022****9 Taxation****(Continued)****Factors affecting tax charge for the period**

The tax assessed for the period is higher than (2021: higher than) the standard rate of corporate tax in the UK of 19.00% (2021: 19.00%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before taxation	3,870,957	3,710,706
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(735,482)	(705,034)
Effects of:		
Fixed asset differences	163,527	202,409
Deferred tax not recognised	109,231	514,763
Other permanent differences	(15,620)	(12,138)
Group relief surrendered	478,344	-
Prior year adjustment	(169,008)	-
Taxation charge for the period	(169,008)	-

At the period end date, the total unused tax losses carried forward are £3,361,142 (2021: £3,573,192). No deferred tax asset has been recognised in respect of these unused tax losses.

The Finance Act 2021 was substantively enacted in May 2021 and increased the corporation tax rate effective 1 April 2023 from 19% to 25% if the company profits are expected to be in excess of £250,000 and at a marginal rate if profits are expected to be between £50,000 and £250,000. The charge is not considered to have a material impact on these financial statements.

10 Exceptional items

	2022 £	2021 £
Pre-opening costs	1,870,757	758,685
Increase in provisions (see note 17)	693,356	-
Impairment of fixed assets (see note 12)	656,836	-
Other exceptional items	93,900	-
	3,314,849	758,685

UNION STREET CAFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 AUGUST 2022

11 Intangible fixed assets

	Software £
Cost	
At 1 September 2021	-
Additions - internally developed	26,969
At 28 August 2022	26,969
Amortisation and impairment	
At 1 September 2021	-
Amortisation charged for the period	1,655
At 28 August 2022	1,655
Carrying amount	
At 28 August 2022	25,314
At 31 August 2021	-

12 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings and equipment £	Short-term fixed assets £	Assets under construction £	Total £
Cost					
At 1 September 2021	11,673,693	4,892,847	-	283,444	16,849,984
Additions	1,455,101	3,000,148	16,699	1,356,580	5,828,528
Transfers between classes	159,041	123,494	910	(283,445)	-
At 28 August 2022	13,287,835	8,016,489	17,609	1,356,579	22,678,512
Depreciation					
At 1 September 2021	4,608,261	2,557,956	-	-	7,166,217
Depreciation charged in the period	621,959	783,124	4,242	-	1,409,325
Impairment	189,838	465,108	1,890	-	656,836
At 28 August 2022	5,420,058	3,806,188	6,132	-	9,232,378
Carrying amount					
At 28 August 2022	7,867,777	4,210,301	11,477	1,356,579	13,446,134
At 31 August 2021	7,065,432	2,334,891	-	283,444	9,683,767

UNION STREET CAFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 AUGUST 2022

13 Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 31 August 2021	100
At 28 August 2022	100
Net book value	
At 28 August 2022	100
At 31 August 2021	100

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Principal activity	Class of Shares	Holding
Busyn Limited	United Kingdom	Cooking School	Ordinary	100%

The directors have taken advantage of section 400 of the 2006 Companies Act to not disclose with respect to each subsidiary undertaking; the aggregate amount of its capital and reserves as at the end of its relevant financial period and its statement of comprehensive income for that period.

The company has the same registered office as Union Street Cafe Limited (see company information page).

14 Stock

	2022 £	2021 £
Raw materials and consumables	549,784	438,848

Stock recognised in cost of sales during the period as an expense was £9,802,731 (2021: £2,284,866).

15 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	202,024	171,466
Amounts owed by group undertakings*	1,798,511	1,358,418
Other debtors	1,203,374	667,964
Prepayments and accrued income	1,489,306	241,899
	4,693,215	2,439,747

UNION STREET CAFE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 28 AUGUST 2022****15 Debtors (Continued)**

	2022	2021
	£	£
Amounts falling due after more than one year:		
Other debtors	567,875	567,875

* Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	5,253,848	2,306,521
Amounts owed to group undertakings*	25,212,116	21,359,528
Amounts owed to other related parties (see note 24)	500,000	500,000
Other taxation and social security	1,222,466	329,567
Other creditors	1,132,092	676,721
Directors loan account	1,970,590	1,970,590
Accruals and deferred income	3,806,538	1,967,205
	<u>30,097,650</u>	<u>29,110,132</u>

* Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

17 Provisions for liabilities

	2022
	£
At 31 August 2021	-
Debit to the statement of comprehensive income (note 10)	693,355
Unwinding of the discounted future costs	-
Utilised during the period	-
At 28 August 2022	<u>693,355</u>

The provision relates to the lease of two restaurants in the Casual Dining category and one restaurant in the Premium Casual category.

UNION STREET CAFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 AUGUST 2022

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	2022 £	2021 £
At beginning of period	(169,088)	(169,088)
Credited to the income statement	169,088	-
At end of period	-	(169,088)

The provisions for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	-	174,033
Short term timing differences	-	(4,945)
	-	169,088

19 Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1

20 Reserves

Accumulated losses

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

21 Pension Commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £164,379 (2021: £74,825). Contributions totalling £35,474 (2021: £25,722) were payable to the fund at the reporting date.

UNION STREET CAFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 AUGUST 2022

22 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	5,024,963	3,175,472
Between two and five years	18,269,229	15,518,160
Later than five years	21,406,450	9,772,689
	<u>44,700,642</u>	<u>28,466,321</u>

23 Financial commitments

The group agreed new borrowing facilities with the group's existing lender on 4th May 2022. Under these facilities, £1,428,568 falls due for repayment within one year of the balance sheet date, £1,428,568 is due within one to two years, and all further amounts within 5 years.

The group loan facilities are secured by a debenture over the present and future assets of the company and personal guarantees from the directors (see note 24).

24 Related party transactions

As at 28 August 2022, G J Ramsay had given personal guarantees totalling £5,000,000 (2021: £5,000,000) in respect of the group banking facility.

During the period, management charges of £3,807,935 (2021: £924,079) were payable to Gordon Ramsay Holdings Limited.

Amounts owed to other related parties (see note 16) consists of a loan from Humble Pie Media Limited, a company incorporated in the United Kingdom and related to the company by virtue of common directorship and ownership. This amount is unsecured, interest free and repayable on demand.

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

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

	1 September 2021 £	Net Movements £	28 August 2022 £
Gordon Ramsay Holdings Limited	(14,459,857)	(3,794,108)	(18,253,965)
Gordon Ramsay (No. 1) Limited	(190,951)	(24,192)	(215,143)
Petrus (Kinnerton Street) Limited	(4,898)	24,108	19,210
Gordon Ramsay (Narrow Street) Limited	(121,581)	210,450	88,869
Gordon Ramsay (Royal Hospital Road) Limited	(29,695)	155,756	126,061
Gordon Ramsay (Maze) Limited	669,375	-	669,375
Sparkle Restaurants Limited	(975,813)	-	(975,813)

UNION STREET CAFE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 AUGUST 2022

25 Events after the reporting date

The company completed the acquisition of the Pizza East business in Shoreditch, London on 24 February 2023 and the restaurant reopened on 15 March 2023.

26 Ultimate controlling party

The company is a subsidiary of Gordon Ramsay Restaurant Limited which is the ultimate parent company incorporated in the United Kingdom.

The largest and smallest group in which the results of the company are consolidated is that headed by Gordon Ramsay Restaurants Limited, incorporated in the United Kingdom. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.

The company's ultimate controlling party is G J Ramsay.