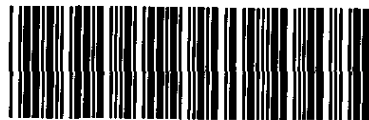


Company Registration No. 04434749

**Annual Unaudited Report
for the year ended 31 December 2024**

bbar Restaurant Limited

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COMPANY INFORMATION

Directors	J J Raggett S D Royce
Company Secretary	S D Royce
Company registration number	04434749
Registered office	14 Grosvenor Place London SW1X 7HH

CONTENTS PAGE

YEAR ENDED 31 DECEMBER 2024

Strategic report	1-2
Directors’ report	3-4
Statement of Directors’ responsibilities	5
Statement of comprehensive income	6
Statement of financial position	7-8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11-24

STRATEGIC REPORT**YEAR ENDED 31 DECEMBER 2024**

The Directors present their Strategic Report for the Company for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of restaurateurs, operating a restaurant within a 5 star hotel in London.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

There has been a decrease in revenue of 23.6% (2023: increased by 1.8%) from £1,123,777 to £858,461. The EBITDA decreased by 34.4% to a loss of £416,277 (2023: loss of £309,755).

During the year, the Company has seen an increase in costs incurred, however management have been working hard to manage and control expenses, which have increased due to inflation and the increased cost of living in the UK. The main drivers of the cost increases are food and labour costs.

The Company is currently in a net liability position with total liabilities exceeding total assets by £7,835,163 (2023: £7,211,635) and continues to be reliant on the support of its ultimate parent company.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £623,528 (2023: £529,857). The Directors do not recommend the payment of a dividend (2023: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors acknowledge that they have responsibility for the Company's systems of internal control and risk management and for monitoring their effectiveness. The purposes of these systems are to manage, rather than eliminate, the risk of failure to achieve business objectives, to provide reasonable assurance as to the quality of management information and to maintain proper control over the income, expenditure, assets and liabilities of the Company.

No system of control can, however, provide absolute assurance against material misstatement or loss. Accordingly, the Directors have regard to what controls, in their judgement, are appropriate to the Company's business and to the relative costs and benefits of implementing specific controls.

The most significant risks and uncertainties relate to factors that are common to the restaurant industry and beyond the Company's control, such as the global economic downturn, changes in travel patterns or in the structure of the travel industry and the increase in acts of terrorism.

Bbar mitigates the risk of an economic downturn utilising financial support from its ultimate parent company, Red Carnation Hotels Group Limited. This allows them to manage short and medium term fluctuations in demand.

STRATEGIC REPORT (continued)

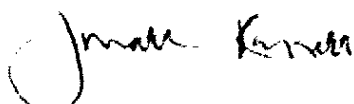
YEAR ENDED 31 DECEMBER 2024

ECONOMIC IMPACT OF GLOBAL EVENTS

The Directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that these are non-adjusting events with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

Bbar Restaurant Limited continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

Signed on behalf of the board of Directors



J J Raggett
Director

Date: 27 August 2025

DIRECTOR'S REPORT**YEAR ENDED 31 DECEMBER 2024**

The Directors present their report and the financial statements of the Company for the year ended 31 December 2024.

MATTERS COVERED IN THE STRATEGIC REPORT

The Directors have addressed specific disclosures required within the Directors' Report within the Strategic Report on pages 1 and 2 and therefore have been omitted from the Directors' Report to avoid duplication. These matters relate to future developments.

FINANCIAL INSTRUMENTS

Details of the Company's financial risk management objectives and policies are included in note 17 to the accounts.

DIRECTORS

The Directors who served the Company during the year, and to the date of this report, were as follows:

J J Raggett

S D Royce

The Company's Articles of Association include provisions indemnifying the Directors for all liabilities incurred in the performance of their duties.

GOING CONCERN

The Directors have at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors have considered the economic impact in global events in making their going concern assessment based on the current situation and the impact on the Company and consider the going concern.

As shown in the accompanying financial statements, the Company's total liabilities exceed its total assets by £7,835,163 at 31 December 2024. The Company's ultimate parent has represented that it will continue to provide ongoing financial support, for a period of no less than 12 months from the date of signing these financial statements, to enable the Company to meet its financial obligations and that the Company will not be required to pay obligations owed to any Group entities unless cash is available or while its liabilities exceed its assets. It is, however, intended that the Company will not fully rely on its ultimate parent for financial support, other than for short-term support for capital expenditure projects, but will manage its own cashflows within its parent Company Group in order to remain in operation for the next 12 months from date of signing. The ability of the Company to continue as a going concern is dependent on this ongoing financial support and the projected cashflows of the parent Company Group and based on this it continues to adopt the going concern basis of accounting in preparing the financial statements.

POLITICAL DONATIONS

The Company made no political donations during the financial year (2023: £nil).

DISABLED EMPLOYEES

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

DIRECTOR'S REPORT**YEAR ENDED 31 DECEMBER 2024**

EMPLOYEE INVOLVEMENT

Within the bounds of commercial confidentiality, staff at all levels are kept fully informed of matters that affect the progress of the Company and are of interest to them as employees.

ENERGY AND CARBON REPORTING

Exemptions in the SECR Regulations permit the exclusion of subsidiaries which would not be required to report the information in their relevant individual reports.

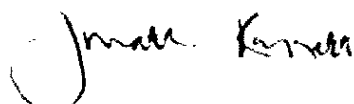
EVENTS AFTER THE REPORTING DATE

There has been a change in ownership and a restructuring of the Group since the year end (Note 21).

The loan held with Tollman Financial Services was novated to Red Carnations Hotels Group Limited since the year end. The terms and conditions of the original loan remains unchanged.

There have been no other significant events affecting the Company since the year end.

Signed by order of the board of Directors



J J Raggett
Director

Date: 27 August 2025

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2024**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether accordance with UK-adopted international accounting standards have been followed subject to any material departures disclosed and explained in the financial statements
- provide additional disclosures when compliance with specific requirements in UK-adopted international accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; 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.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Revenue	2	858,461	1,123,777
Cost of sales		(929,367)	(1,087,555)
Gross Profit		(70,906)	36,222
Administrative expenses		(465,630)	(479,128)
Loss from operations	3	(536,536)	(442,906)
Finance costs	5	(86,992)	(81,869)
Loss before tax		(623,528)	(524,775)
Taxation charge	6	-	(5,082)
Loss for the year		(623,528)	(529,857)
Other comprehensive income		-	-
Total comprehensive loss for the year		(623,528)	(529,857)

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

All results relate to continuing operations.

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Non-current assets			
Property, plant and equipment	7	-	-
Right of use assets	8	451,040	541,248
		<u>451,040</u>	<u>541,248</u>
Current assets			
Inventories	9	22,683	23,661
Trade and other receivables	10	20,424	21,097
Cash and cash equivalents	11	16,843	27,391
Amounts due from related parties	12	76,893	76,893
		<u>136,843</u>	<u>149,042</u>
Total assets		<u>587,883</u>	<u>690,290</u>
Non-current liabilities			
Amounts due to related parties	13	817,888	740,612
Obligations under leases	16	381,486	473,349
		<u>1,199,374</u>	<u>1,213,961</u>
Current liabilities			
Amounts due to related parties	14	7,079,690	6,513,929
Other payables	15	52,118	83,751
Obligations under leases	16	91,864	90,284
		<u>7,223,672</u>	<u>6,687,964</u>
Total liabilities		<u>8,423,046</u>	<u>7,901,925</u>
Equity			
Share capital	19	1	1
Retained earnings		<u>(7,835,164)</u>	<u>(7,211,636)</u>
Total equity		<u>(7,835,163)</u>	<u>(7,211,635)</u>
Total liabilities and equity		<u>587,883</u>	<u>690,290</u>

STATEMENT OF FINANCIAL POSITION**AT 31 DECEMBER 2024**

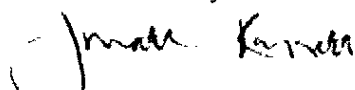
For the year ending 31 December 2024 the company was entitled to exemption from audit under the provisions of section 479A of the Companies Act 2006.

The directors have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006 as these financial statements are part of the audited financial statements of the consolidated Chesterfield Mayfair Limited Group, its immediate parent company, for the year ending 31 December 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

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

These financial statements were approved by the Directors and authorised for issue on and are signed on their behalf by:


J J Raggett
Director

Date: 27 August 2025

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

		Share capital £	Retained earnings £	Total £
At 1 January 2023		1	(6,681,779)	(6,681,778)
Total comprehensive loss for the year		-	(529,857)	(529,857)
At 1 January 2024		1	(7,211,636)	(7,211,635)
Total comprehensive loss for the year		-	(623,528)	(623,528)
At 31 December 2024	19	1	(7,835,164)	(7,835,163)

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Loss after taxation		(623,528)	(529,857)
<i>Adjustments for:</i>			
Impairment of property, plant and equipment	7	30,051	42,943
Depreciation on right-of-use-asset	8	90,208	90,208
Finance costs	5	86,992	81,869
Taxation	6	-	5,082
Cash flows used in operations before changes in working capital		(416,277)	(309,755)
Decrease / (increase) in inventories	9	978	(1,131)
Decrease / (increase) in trade and other receivables	10	673	(3,300)
(Decrease) / increase in other payables	15	(31,633)	35,532
Cash used in operations		(446,259)	(278,654)
Interest paid	5	(77,276)	(70,600)
Tax paid	6	-	(5,082)
Net cash used in operating activities		(523,535)	(354,336)
Cash flows used in investing activities			
Purchase of property, plant and equipment	7	(30,051)	(42,943)
Net cash used in investing activities		(30,051)	(42,943)
Cash flows from financing activities			
Increase in amounts due to related parties	13,14	643,037	491,558
Decrease in amounts due from related parties	12	-	5,082
Interest on lease liability	5	(9,716)	(11,269)
Movement in lease liabilities	16	(90,283)	(88,732)
Net cash generated from financing activities		543,038	396,639
Net decrease in cash and cash equivalents		(10,548)	(640)
Cash and cash equivalents at 1 January		27,391	28,031
Cash and cash equivalents at 31 December	11	16,843	27,391

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

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2024**

1. ACCOUNTING POLICIES**General information**

bbar Restaurant Limited is a private company limited by shares and incorporated and domiciled in England and Wales. The address of the registered office in the United Kingdom is stated on the Company information page and the nature of the Company's operations and principal activities are stated in the Directors' Report.

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting. These financial statements have been prepared under historical cost convention. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment that the Company operates in.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future.

The directors have considered the ongoing impact of global events in making their going concern assessment based on the current situation and the impact on the Company and consider the going concern assessment to be appropriate.

As shown in the accompanying financial statements, the Company's total liabilities exceed its total assets by £7,835,163 at 31 December 2024. The Company's ultimate parent has represented that it will continue to provide ongoing financial support, for a period of no less than 12 months from the date of these financial statements, to enable the Company to meet its financial obligations and that the Company will not be required to pay obligations owed to any group entities while its liabilities exceed its assets. It is, however, intended that the Company will not fully rely on its ultimate parent for financial support, other than for short-term support for capital expenditure projects, but will manage its own cashflows within its parent Company Group in order to remain in operation for the next 12 months from date of signing. The ability of the Company to continue as a going concern is dependent on this ongoing financial support and based on this they continue to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Revenue recognition

Revenue is recognised from the sale of goods and services from the Company's ordinary activities. Revenue is recognised from the sale of goods and services when the amount can be measured reliably, the service has been provided or the goods are sold and is stated after trade discounts and other sales taxes, and is net of VAT.

Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses. Costs are recognised on date of purchase and are capitalised if the value of the item is greater than £500. Items that cost less than £500 are capitalised if part of a major project or refurbishment.

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2024**

1. ACCOUNTING POLICIES (continued)

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	10% straight line
Equipment	-	20% straight line

The Right-of-use assets are depreciated over the shorter of the lease term and the assets useful life. In this instance, the lease term of 6 years is shorter.

Impairment of fixed assets

Impairment testing is carried out for all items of property, plant and equipment at the statement of financial position date if there are indicators of impairment.

For the purposes of impairment testing, the carrying amounts of assets are reviewed and an impairment loss is recognised where the carrying amounts exceed the assets' recoverable amounts. Any impairment loss arising is recognised immediately in the statement of comprehensive income.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pension costs

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the statement of comprehensive income on an accruals basis, as services are delivered.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2024**

1. ACCOUNTING POLICIES (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Financial instruments

Financial assets and financial liabilities are recognised on the Company statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

The Company considers lifetime Expected Credit Losses for amounts owed from group undertakings. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime Expected Credit Losses represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

The Company has not recognised a provision for expected credit losses in respect of amounts owed from group undertakings in the current year as the Company's historical credit loss experience has been minimal. Based on the current outlook there are no concerns from a forward looking perspective.

Financial liabilities

The Company's financial liabilities include related party loans, trade and other payables. Financial liabilities are recognised when the Company becomes a party to the contractual agreement of the instrument. All interest related charges are recognised as an expense in finance costs in the statement of comprehensive income using the effective interest method.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the statement of comprehensive income when liabilities are derecognised or impaired, as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2024**

1. ACCOUNTING POLICIES (continued)***Leases***

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined the lessee uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability are the fixed lease payments less any incentives receivable.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

Standards, amendments and interpretations adopted in the current financial year ended 31 December 2024

There are no new or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2024 that have had a material impact on the Company's financial statements.

Standards, amendments and interpretations in issue but not yet effective

There are no new or amendments or interpretations to accounting standards, or IFRIC interpretations that are in issue but not yet adopted that will have a material impact on the Company's financial statements.

Critical judgements in applying the Company's key accounting policies***Assessing indicators of impairment***

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2024****2. REVENUE**

The revenue and loss before tax are attributable to the one principal activity of the Company.
An analysis of geographical turnover is given below:

	2024	2023
	£	£
United Kingdom	858,461	1,123,777

3. LOSS FROM OPERATIONS

Operating loss for the year is stated after charging:

	2024	2023
	£	£
Inventories expensed during the year	253,355	322,707
Impairment of property, plant and equipment	(919)	29,852
Depreciation on right -of-use-assets	90,208	90,208
Auditors' remuneration - as auditors	3,605	9,000
- taxation services	2,375	2,100
- other services	583	500

4. STAFF NUMBERS AND COSTS

The average contracts of service of staff employed by the Company during the financial year amounted to:

	2024	2023
	Number	Number
Administration staff	2	3
Other staff – services	12	12
	14	15

The aggregate payroll costs of the above were:

	£	£
Wages and salaries	398,002	464,334
Social security costs	31,550	41,533
Pension costs	6,495	8,999
	436,047	514,866

No salaries or wages have been paid to the Directors in the current or prior year and no contributions were made to a pension on behalf of a Director (2023: £nil).

The Directors of the Company are also the key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

5. FINANCE COSTS	2024	2023
	£	£
Interest payable on loans from related parties (note 18)	77,276	70,600
Interest expense on lease liabilities (note 8)	9,716	11,269
	<u>86,992</u>	<u>81,869</u>

6. TAXATION

(a) Analysis of charge in the year	2024	2023
	£	£
Current tax:		
Group relief receivable	-	-
Adjustments in respect of prior periods	-	5,082
	<u>-</u>	<u>5,082</u>
Total tax charge	<u>-</u>	<u>5,082</u>

(b) Factors affecting current tax credit

The tax assessed on the loss for the year varies from the effective rate of corporation tax in the UK of 25% (2023: 23.52%).

	2024	2023
	£	£
Loss before taxation	(623,528)	(524,775)
	<u>(623,528)</u>	<u>(524,775)</u>
Tax on loss at effective rate of 25% (2023: 23.52%)	(155,882)	(123,430)
Fixed asset differences	3,019	4,337
Expenses not deductible for tax purposes	19,443	-
Remeasurement of deferred tax for changes in tax rates	-	(7,491)
Movement in deferred tax not recognised	133,420	126,584
Adjustments to tax charge in respect of previous periods	-	5,082
	<u>-</u>	<u>5,082</u>
Total current tax charge (note 6(a))	<u>-</u>	<u>5,082</u>

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2024**

6. TAXATION (continued)**(c) Factors that may affect future tax charges**

No provision has been made for a deferred tax asset of £610,127 calculated at 25% (2023: £485,553) arising from depreciation of equipment, fixtures and fittings in excess of taxation allowances available and available losses because the timing of profits is uncertain.

The claim for taxation allowances and the recoverability of the deferred tax asset is dependent on the availability of sufficient future taxable profits of the Company against which unused taxation allowances and losses can be utilised. In such circumstances the Company recognises that, at the statement of financial position date, it may not be appropriate to provide for the deferred tax asset.

bBar Restaurant Limited is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted in the UK, the jurisdiction in which the entity is incorporated, and is effective in 2024. Under the legislation, the group is liable to pay a top-up tax in the UK for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate. In addition, top-up taxes are payable locally where qualifying domestic minimum top-up taxes have been legislated and are in effect. The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

7. PROPERTY, PLANT AND EQUIPMENT

	Fixtures & fittings £	Equipment £	Total £
Cost			
At 1 January 2023	1,887,551	-	1,887,551
Additions	41,808	1,135	42,943
Impairment	(41,808)	(1,135)	(42,943)
At 1 January 2024	1,887,551	-	1,887,551
Additions	14,566	15,485	30,051
Impairment	(14,566)	(15,485)	(30,051)
At 31 December 2024	1,887,551	-	1,887,551
Depreciation and impairment			
At 1 January 2023	1,887,551	-	1,887,551
Charge for the year	29,606	246	29,852
Impairment	(29,606)	(246)	(29,852)
At 1 January 2024	1,887,551	-	1,887,551
Charge for the year	28,229	2,741	30,973
Impairment	(28,229)	(2,741)	(30,973)
At 31 December 2024	1,887,551	-	1,887,551
Net book value			
At 31 December 2024	-	-	-
At 31 December 2023	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

8. RIGHT-OF-USE-ASSET	Land& Buildings £	Total £
Cost		
At 1 January 2023	992,288	992,288
Additions	-	-
At 31 December 2023	992,288	992,288
Additions	-	-
At 31 December 2024	992,288	992,288
Depreciation		
At 1 January 2023	360,832	360,832
Charge for the year	90,208	90,208
At 31 December 2023	451,040	451,040
Charge for the year	90,208	90,208
At 31 December 2024	541,248	541,248
Net book value		
At 31 December 2024	451,040	451,040
At 31 December 2023	541,248	541,248

The Company leases one property in which the remaining lease term is 5 years.

Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2024 £	2023 £
Depreciation expense on right-of-use asset	90,208	90,208
Interest expense on lease liabilities	9,716	11,269

The total cash outflow for leases amounted to £100,000 (2023: £100,000).

The property leases in which the Company is the lessee contain variable additional rentals linked to sales generated from the leased property.

During 2024, the Company paid no additional rent in relation to the variable rental (2023: nil).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

9. INVENTORIES	2024	2023
	£	£
Goods for resale	19,250	23,661
Other inventory	3,433	-
	<u>22,683</u>	<u>23,661</u>
10. TRADE AND OTHER RECEIVABLES	2024	2023
	£	£
Prepayments and accrued income	20,424	21,097
	<u>20,424</u>	<u>21,097</u>
11. CASH AND CASH EQUIVALENTS	2024	2023
	£	£
Cash and cash equivalents	16,843	27,391
	<u>16,843</u>	<u>27,391</u>
12. AMOUNTS DUE FROM RELATED PARTIES	2024	2023
	£	£
Due in less than one year		
Montague Hotel Properties Limited (previously known as Montague Travcorp Limited) (note 18)	76,893	76,893
	<u>76,893</u>	<u>76,893</u>
The amount due is interest free, unsecured and payable on demand.		
13. AMOUNTS DUE TO RELATED PARTIES	2024	2023
	£	£
Due in more than one year		
Tollman Financial Services Limited (previously known as Travcorp Financial Services Limited) (note 18)	817,888	740,612
	<u>817,888</u>	<u>740,612</u>
The loan bears interest at the bank base rate (2023: bank base rate)		
14. AMOUNTS DUE TO RELATED PARTIES	2024	2023
	£	£
Due in less than one year		
Red Carnation Hotels (UK) Limited	6,082,660	5,615,483
Trafalgar Management Services Limited	1,125	1,125
Rubens Property Limited (previously known as Rubens Travcorp Limited)	995,905	897,321
	<u>7,079,690</u>	<u>6,513,929</u>
Amounts owed to related parties (note 18)	<u>7,079,690</u>	<u>6,513,929</u>
The amounts due are interest free, unsecured and payable on demand.		

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

15. OTHER PAYABLES	2024	2023
	£	£
Social security and other taxes	11,625	15,339
Other payables	1,103	847
Accruals	39,390	67,565
	<u>52,118</u>	<u>83,751</u>

16. LEASE LIABILITIES	2024	2023
	£	£
Analysed as:		
Current	91,864	90,284
Non-current	381,486	473,349
	<u>473,350</u>	<u>563,633</u>

Maturity Analysis

Within one year	91,864	90,284
Between two and five years	381,486	377,214
After five years	-	96,135
	<u>473,350</u>	<u>563,633</u>

The Company does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

The undiscounted future cash flows on leases at 31 December 2024 were as follows:

	2024	2023
	£	£
Within one year	100,000	100,000
Between two and five years	400,000	400,000
After five years	-	100,000
	<u>500,000</u>	<u>600,000</u>

The rent agreement has variable rents that do not depend on an index or rate, which are not included in the measurement of the lease liability and the right of use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2024**

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES***Credit risk***

The Company has no significant concentrations of credit risk. Amounts shown in the statement of financial position best represent the maximum credit risk exposure in the event of other parties failing to perform their obligations under financial instruments.

The Company monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk.

The ultimate parent entity confirms that group liabilities will not be demanded whilst the Company's liabilities exceed its assets.

Liquidity risk

There is a Group treasury function in place across the whole group which is there to assist the Company with its liquidity risk. The Company at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. Long-term borrowing, where it exists, is funded from within the Red Carnation Hotels Group Limited which has guaranteed to provide any future funding requirements of the Company to enable it to meet its liabilities as they fall due.

Interest rate risk

There is no external debt within the Company, therefore there is management of the interest rate within the agreements between the related parties which at the time is in line with external borrowings. The Company is exclusively funded by related party borrowings.

Interest rate sensitivity analysis

Interest rate sensitivity analysis has been determined based on the exposure to interest rates for non-derivative instruments at the statement of financial position date. On the 1st of January 2023 all loan agreements were adjusted to fixed rate in line with market. The reason for this adjustment to fixed rate is to help with the interest rate sensitivity.

Foreign exchange risk

The Company operates exclusively within the UK and is not directly exposed to foreign exchange risk. Hedging instruments are therefore not used and there would be no financial impact of a change in the exchange rates.

Capital risk management

The Company aims to manage its overall capital so as to ensure the Company continues to operate as a going concern.

The Company's capital structure represents the equity attributable to the shareholders of the Company together with borrowings and cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2024****18. RELATED PARTY TRANSACTIONS**

During the year the Company incurred expenses/(income) from related parties as follows:

		2024	2023
		£	£
Red Carnation Hotels (U.K.) Limited	Management charges	318,666	301,848
Rubens Property Limited	Rent	100,000	100,000
Montague Hotel Properties Limited (previously known as Montague Travcorp Limited)	Group tax relief	-	5,082
Tollman Financial Services Limited (previously known as Travcorp Financial Services Limited)	Loan interest	77,276	70,600
		<u>77,276</u>	<u>70,600</u>

Amounts owed by related parties, which are unsecured and payable after more than one year:

	£	£
Montague Hotel Properties Limited (previously known as Montague Travcorp Limited)	76,893	76,893
	<u>76,893</u>	<u>76,893</u>

Amounts owing to related parties, which are unsecured and payable after more than one year:

	2024	2023
	£	£
Tollman Financial Services Limited (previously known as Travcorp Financial Services Limited)	817,888	740,612
	<u>817,888</u>	<u>740,612</u>

The loan bears interest at the bank base rate (2023: bank base rate) (see note 13).

Amounts owed to related parties which are unsecured, interest free and payable on demand:

	2024	2023
	£	£
Red Carnation Hotels (U.K.) Limited	6,082,660	5,615,483
Chesterfield (Mayfair) Limited	1,125	1,125
Rubens Property Limited (previously known as Rubens Travcorp Limited)	995,905	897,321
	<u>7,079,690</u>	<u>6,513,929</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

19. SHARE CAPITAL

	2024		2023	
	Number	£	Number	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Equity shares				
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

20. EVENTS AFTER THE REPORTING DATE

There has been a change in ownership and a restructuring of the Group since the year end (Note 21).

The loan held with Tollman Financial Services was novated to Red Carnations Hotels Group Limited since the year end. The terms and conditions of the original loan remains unchanged.

There have been no other significant events affecting the Company since the year end.

21. CONTROLLING PARTY AND PARENT COMPANIES

On the 10th of April 2025, there was a change in ownership and a restructuring of the Group.

As of the 10th of April 2024, the Company's ultimate parent undertaking is Red Carnation Hotels Group Limited, a Company registered in Guernsey, the Channel Islands. Up until this date, the Company's ultimate parent company was Tollman Family Investments Limited (previously known as the Travel Corporation Limited), incorporated in the British Virgin Islands.

The largest group in which the results of the Company are consolidated is headed by Red Carnation Hotels Group Limited, its ultimate parent company, a company registered in Guernsey, the Channel Islands. The smallest group in which they are consolidated is that headed by Chesterfield (Mayfair) Limited, its immediate parent company, a company registered in England and Wales. Up until the 10th of April 2025, the largest group in which the results of the Company were consolidated was that headed by Tollman Family Investments Limited, a Company incorporated in the British Virgin Islands.

Copies of the consolidated financial statements of Chesterfield (Mayfair) Limited are available to the public from the Registrar of Companies. The financial statements of both Red Carnation Hotels Group Limited and Tollman Family Investments Limited are not available to the public.

Management information

The following information does not form part of the financial statements and has not been audited

DETAILED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2024

	2024	2023
£	£	£
Revenue	858,461	1,123,777
Cost of sales		
Opening inventories	23,661	22,530
Purchases	251,379	326,526
Direct costs	145,112	169,014
Direct wages	318,051	360,402
National Insurance contributions	22,006	29,847
Pensions	6,495	8,999
Rates	63,555	59,052
Insurance	1,532	1,695
Impairment of property, plant and Equipment	30,051	42,943
Depreciation on right-of-use-asset	90,208	90,208
	<u>952,050</u>	<u>1,111,216</u>
Closing inventories	<u>(22,683)</u>	<u>(23,661)</u>
	<u>(929,367)</u>	<u>(1,087,555)</u>
Gross (loss) / profit	<u>(70,906)</u>	<u>36,222</u>
Overheads		
Administrative expenses	<u>(465,630)</u>	<u>(479,128)</u>
Loss from operations	<u><u>(536,536)</u></u>	<u><u>(442,906)</u></u>

NOTES TO THE DETAILED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2024

	£	2024 £	£	2023 £
Administrative expenses				
Personnel costs	79,951		103,932	
National insurance contributions	9,544		11,686	
		89,495		115,618
General expenses				
Hire of equipment	504		184	
Printing, stationery and postage	1,860		2,080	
Staff welfare	15,274		13,710	
Entertaining	16,532		13,239	
Management charges payable	318,666		301,848	
Auditor's remuneration and professional fees	3,600		9,992	
		356,436		341,053
Financial costs				
Credit card commission	18,980		21,868	
Bank charges	719		589	
		19,699		22,457
		465,630		479,128
Finance costs				
Interest on loans from related parties	77,276		70,600	
Interest expense on lease liabilities	9,716		11,269	
		86,992		81,869