The Simply Smart Group Ltd

Registered No 04627313

Report and Financial Statements

30 June 2013

Directors
Sir F H Mackay
B Watson

Secretary
B Watson

Auditors
Ernst & Young LLP
Bridgewater Place
Water Lane
Leeds LS11 5QR

Bankers
The Royal Bank of Scotland
27 Park Row
Leeds LS1 5QB

Registered Office
Lyttleton House
64 Broomfield Road
Chelmsford, Essex
CM1 1SW

Registered No 04627313

Directors' report

The directors present their report and financial statements for the year ended 30 June 2013 In accordance with section 401 of the Companies Act 2006, the company has not prepared consolidated accounts

Results and dividends

The loss for the year after taxation amounted to £93,745 (2012 – £nil) The directors do not recommend a final dividend (2012 – £nil)

Principal activities and review of the business

The company's principal activity is that of a holding company

Financial risk management objectives and policies

The company's principal financial instruments comprise intra group borrowings, bank overdrafts, cash and short-term deposits The main purpose of these financial instruments is to raise finance for the company's operations The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations The company does not enter into derivative transactions

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken The main risks arising from the company's financial instruments are liquidity risk, and credit risk The board reviews and agrees policies for managing each of these risks and they are summarised below

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably The group directors prepare detailed cash flow forecasts incorporating all companies within the group and funds are transferred around the group to ensure sufficient liquidity is maintained in all entities

Going concern

The company made a loss of the year The financial statements have been prepared on a going concern basis, which assumes that the company has sufficient resources to enable it to continue operating and to meet its liabilities as they fall due The directors believe the going concern assumption to be appropriate for the reasons set out below

As part of the Graysons Hospitality group's banking arrangements, the company has entered into multi-lateral guarantee with the other companies in the group and as such the ultimate parent undertaking has pledged to continue to offer financial support for the foreseeable future and has confirmed this in writing to the directors in a letter of support

The group directors have prepared cash flow forecasts for 18 months from the date of signing these financial statements, which make certain assumptions regarding trading The key assumption is that the group will continue to trade at a similar level to that of its current position with a small improvement in margin

The group directors have also prepared sensitised forecasts including a number of different scenarios and these demonstrate the ability of the group to operate within existing facilities These facilities are due for renewal in July 2014 and current discussions with the bank have strongly indicated their continuing support for the business, renewal date aside

In the unlikely event that the facilities were not renewed, however, the sensitised forecasts demonstrate that the group would still have sufficient flexibility and working capital available to meet its obligations as they fell due In addition, the principal shareholder and director remains supportive of the business and, in the unlikely event that there were a short term cash requirement, would be prepared to support the group as evidenced by recent injections of funding for working capital in February 2013 and February 2014

For the reasons laid out above the Board continues to adopt the going concern basis in preparing these financial statements

Directors' report (continued)

Directors

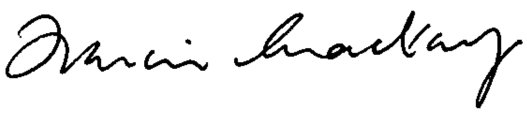
The directors who served the company during the year were as follows

Sir F H Mackay
N E H Thomas (resigned July 1st 2013)
B Watson (appointed July 1st 2013)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

By order of the Board



Sir Francis Mackay
Director
30th April 2014

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 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 judgments and 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

Independent auditors' report

to the members of The Simply Smart Group Ltd

We have audited the financial statements of The Simply Smart Group Ltd for the year ended 30 June 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 15 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 30 June 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report

to the members of The Simply Smart Group Ltd

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

Alistair Denton
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Leeds
Date 1/8/14

Profit and loss account

for the year ended 30 June 2013

	Notes	*Year ended 30 June 2013 £000*	*Year ended 30 June 2012 £000*
Other operating charges	2	(94)	-
Operating loss	3	(94)	-
Attributable to			
Operating loss before exceptional operating items		-	-
Exceptional items		(94)	-
		(94)	-
Interest receivable		-	-
Loss on ordinary activities before taxation		(94)	-
Tax	5	-	-
Loss for the financial year	10	(94)	-

Statement of total recognised gains and losses

for the year ended 30 June 2013

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £93,745 in the year ended 30 June 2013 (2012 – £nil)

Balance sheet

at 30 June 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Investments	6	1,681	1,681
		1,681	1,681
Current assets			
Debtors	7	841	-
Creditors amounts falling due within one year	8	(1,844)	(909)
Net current liabilities		(1,003)	(909)
Total assets		678	772
Net assets		678	772
Capital and reserves			
Called up share capital	9	3,479	3,479
Share premium account	11	333	333
Profit and loss account	11	(3,134)	(3,040)
Shareholders' funds	11	678	772

The financial statements were approved and authorised for issue by the Board on 30th April 2014 and signed on its behalf by

Sir Francis Mackay

Director

Notes to the financial statements

at 30 June 2013

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated outside the EEA and in accordance with Section 401 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts

Going concern

The company made a loss of the year The financial statements have been prepared on a going concern basis, which assumes that the company has sufficient resources to enable it to continue operating and to meet its liabilities as they fall due The directors believe the going concern assumption to be appropriate for the reasons set out below

As part of the Graysons Hospitality group's banking arrangements, the company has entered into multi-lateral guarantee with the other companies in the group and as such the ultimate parent undertaking has pledged to continue to offer financial support for the foreseeable future and has confirmed this in writing to the directors in a letter of support

The group directors have prepared cash flow forecasts for 18 months from the date of signing these financial statements, which make certain assumptions regarding trading The key assumption is that the group will continue to trade at a similar level to that of its current position with a small improvement in margin

The group directors have also prepared sensitised forecasts including a number of different scenarios and these demonstrate the ability of the group to operate within existing facilities These facilities are due for renewal in July 2014 and current discussions with the bank have strongly indicated their continuing support for the business, renewal date aside

In the unlikely event that the facilities were not renewed, however, the sensitised forecasts demonstrate that the group would still have sufficient flexibility and working capital available to meet its obligations as they fell due In addition, the principal shareholder and director remains supportive of the business and, in the unlikely event that there were a short term cash requirement, would be prepared to support the group as evidenced by recent injections of funding for working capital in February 2013 and February 2014

For the reasons laid out above the Board continues to adopt the going concern basis in preparing these financial statements

Statement of cash flows

The directors have taken advantage of the exemption in FRS 1 (Revised 1996) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes group financial statements

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Notes to the financial statements

at 30 June 2013

2. Other operating charges

	Year ended 30 June 2013	*Year ended 30 June 2012*
	£000	*£000*
Exceptional Items -		
Write-off debtor balance with former fellow group undertaking	94	-
	94	-

3. Operating loss

Auditors remuneration of £2,000 represents costs allocated to the company for the year, all of which is borne by the ultimate parent undertaking that pays all auditors remuneration on behalf of the group

4. Directors remuneration

The directors received remuneration for the year of £3,000 in relation to qualifying services as directors of this company, all of which was paid by Graysons Hospitality Limited, the ultimate parent undertaking

5. Tax

(a) Tax on loss on ordinary activities

The tax credit is made up as follows

	2013	*2012*
	£'000	*£'000*
Current tax		
UK corporation tax on loss for the year	-	-
Adjustment in respect of previous periods	-	-
Total current tax (note 5(b))	-	-

Notes to the financial statements

at 30 June 2013

5. Tax (continued)

(b) Factors affecting current tax credit

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 23% (Year ended 30 June 2012 – 24%) The differences are explained below

	Year ended 30 June 2013	*Year ended 30 June 2012*
	£000	*£000*
(Loss) on ordinary activities before tax	(94)	-
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23 75% (Year ended 30 June 2012 – 25 50%)	(22)	-
Effects of		
Expenses not deductible for tax purposes	22	-
Income not taxable	-	-
Depreciation in excess of capital allowances	-	-
Other short term timing differences	-	-
Current tax for the year (note 7(a))	-	-

6. Fixed asset investment

	Shares in group undertakings	*Total*
	£000	*£000*
Cost		
At 1 July 2012 and 30 June 2013	1,681	1,681
Impairment		
At 1 July 2012 and 30 June 2013	-	-
Net book value		
At 30 June 2013	1,681	1,681
At 30 June 2012	1,681	1,681

At 30 June 2013 the Company held 100% of the ordinary share capital of the following subsidiaries, which are registered in England and Wales

Subsidiary	**Nature of business**
Convex Leisure Ltd	Provision of catering services
By Word of Mouth Limited	Provision of catering services
Red Eventful Cuisine limited	Dormant
By Word of Mouth Fine Dining Limited	Dormant
Simply Smart Dining Limited	Dormant

Notes to the financial statements

at 30 June 2013

7. Debtors

	2013	2012
	£000	£000
Amounts owed by group undertakings	841	-
	841	-

8. Creditors: amounts falling due within one year

	2013	2012
	£000	£000
Bank overdraft	-	181
Amounts owed to group undertakings	1,844	728
	1,844	909

9. Issued share capital

		2013		2012
Allotted, called up and fully paid	No	£	No	£
120,049 Ordinary shares of 1p each		1		1
233,100 'A' ordinary shares of 1p		2		2
3,475,708 deferred ordinary shares of £1		3,476		3,476
		3,479		3,479

The 'A' ordinary shares and ordinary shares shall rank pari passu in all respects No dividend is payable for the period ended 30 June 2013 or 30 June 2012

The deferred ordinary shares carry no voting or dividend rights

10. Movements on reserves

	Profit and loss account
	£000
At 1 July 2012	(3,040)
Loss for the financial year	(94)
At 30 June 2013	(3,134)

Notes to the financial statements

at 30 June 2013

11. Reconciliation of shareholders' funds

	Share Capital	*Share Premium*	*Profit and loss account*	*Total share-holders' funds*
	£000	*£000*	*£000*	*£000*
At 1 July 2012	3,479	333	(3,040)	772
Result for the year	–	–	(94)	(94)
At 30 June 2013	3,479	333	(3,134)	678

12. Capital commitments

The company had no capital commitments at 30 June 2013 or 30 June 2012

13. Contingent liabilities

The company is party to a multi-lateral guarantee given to the group's bankers and providers of finance to secure all monies due or to become due from members of the group headed by Graysons Hospitality Limited At 30 June 2013 there was a maximum contingent liability under this guarantee amounting to £nil (2012 – £180,871)

14. Related party transactions

The company is a wholly owned subsidiary of Graysons Hospitality Limited, the group accounts of which are publicly available Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transaction with members or investees of Graysons Hospitality Limited group

15. Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking is Graysons Hospitality Limited

The parent undertaking of the largest and smallest group for which group financial statements are prepared is Graysons Hospitality Limited Copies of Graysons Hospitality Group's financial statements are available from Companies House

The director's consider Sir Francis Mackay to be the controlling party by way of his shareholding in the ultimate parent company