Rome PIK Holdco Limited

Report and Financial Statements

31 May 2012

Directors
G W Ford
B J Price

Secretary
B J Price

Auditors
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Directors' report

The directors present their report and financial statements for Rome PIK Holdco Limited ('the company') for the year ended 31 May 2012

Principal activities

Rome PIK Holdco Limited is an intermediate holding company and holds the share capital of Rome Pikco Limited ('Pikco') Due to its principal activity of being a holding company, the directors do not consider specific key performance indictors to exist The company is one of a group of companies set up to facilitate the acquisition of Caffe Nero Group Limited in 2007 by its ultimate parent, Saratoga Limited

Results, dividends and review of the business

The company generated a loss before taxation for the year of £92 8m (2011 –£0 2m) Further information explaining the material change in results is set out in the treasury and risk management section below, and in note 2 to the financial statements No dividend is proposed (2011- nil)

Directors

The directors at the date of approving this report and those that served during the year are set out on page 1

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will be able to meets its liabilities as they fall due for the foreseeable future

The company's immediate parent undertaking, Rome Topco Unlimited, has confirmed to the directors that it will not seek repayment of amounts owed totalling £150 8m until such time as the company is able to meet these liabilities The company is part of a group of companies that are dependent on the ongoing trading and financing activities of Rome Pikco Limited, the company's 100% subsidiary ('the Pikco group')

The directors of the Pikco group have produced cash flow forecasts that indicate that the Pikco group will continue as a going concern for the foreseeable future, which is no less than 12 months from the date of approving these financial statements In making this assessment, the directors have taken into account the ongoing difficult macro-economic and trading environment prevailing in the UK and have reflected this in their assumptions on the Pikco group's growth prospects The directors remain confident their forecasts are achievable

Having made due and careful enquiry, the directors consider that there are no material uncertainties that may cast doubt over the Pikco group's ability to continue as a going concern and therefore apply the same conclusion to the company

Treasury and risk management

The company's ultimate shareholders hold Preferred Equity Certificates in the company with a nominal value of £98 5m These liabilities and interest charges are passed down the enlarged group in the form of deep discounted bonds and intercompany loans, and are reflected in the company's balance sheet

The interest rate on the company's loan from its parent undertaking, Rome Topco Unlimited was reduced retrospectively during the year at the request of the group's ultimate controlling party As a result, the company has recognised an equity contribution of £110 6m The company also passed on the reduction in its shareholder loan interest rate to its subsidiary undertaking, Rome Pikco Limited This has resulted in a one-off reversal of interest due from Rome Pikco Limited of £62 6m

Capital management

Capital comprises shareholders equity and financing from the company's parent undertakings The company's capital management is impacted by the capital management decisions made by its various parent undertakings The company has no externally imposed capital restrictions

Directors' report (continued)

Risk factors

The directors continually identify, evaluate and manage material risks and uncertainties faced by the company, which could adversely affect the company's business, operating results and financial condition The directors consider the principal risks and uncertainties facing the business to comprise the following

Company specific risks.

- A breakdown in internal control through fraud or error

The company continually monitors exposure to this risk and has developed policies and appointed qualified personnel to mitigate its exposure

Broader sector or macroeconomic risks

- The loss of key personnel or the failure to manage succession planning

Statement of disclosure of information to auditors

The directors who were members of the Board at the time of approving the directors' report are set out on page 1 Having made enquiries of fellow directors and of the company's auditors, each of the directors confirms that

a) to the best of each director's knowledge and belief, there is no relevant audit information of which the company's auditors are unaware, and

b) each director has taken all the steps a director might reasonably be expected to have taken to be aware of all relevant audit information and to establish that the company's auditors are aware of that information

Auditors

In accordance with section 487 of the Companies Act 2006, the company has elected to dispense with the obligation under section 485 of the Companies Act 2006 to appoint auditors annually Ernst & Young LLP are deemed to continue in office until further notice

By order of the Board

B J Price
Secretary
19 September 2013

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 financial statements under International Financial Reporting Standards as adopted by the European Union

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 the financial statements the directors are required to

- present fairly the financial position, financial performance and cash flows of the company,
- select suitable accounting policies in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance,
- state whether the financial statements have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements, and
- make judgements that are reasonable

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 company 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 Rome PIK Holdco Limited

We have audited the financial statements of Rome PIK Holdco Limited for the year ended 31 May 2012, which comprise the statement of comprehensive income, balance sheet, statement of changes in shareholders' equity and the related notes 1 to 11 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

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 report and financial statements 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 financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, 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 Rome PIK Holdco Limited (continued)

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

Ernst & Young LLP

David Wilkinson (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
19 September 2013

Statement of comprehensive income

for the year ended 31 May 2012

	Notes	2012 £000	2011 £000
Finance cost payable to parent undertaking	2	(40,420)	(37,352)
Finance income from subsidiary undertaking	2	10,229	37,196
Finance income re-imbursed to subsidiary undertaking	2	(62,588)	–
Loss before taxation		(92,779)	(156)
Income tax	4	–	–
Loss for the year		(92,779)	(156)
Other comprehensive income		–	–
Total comprehensive income		(92,779)	(156)

Balance sheet

at 31 May 2012

	Notes	2012 £000	2011 £000
Non-current assets			
Investments	5	2,024	2,024
Current assets			
Investments	6	98,450	98,450
Amounts due from subsidiary undertakings	6	80,673	133,033
Total assets		181,147	233,507
Non-current liabilities			
Financial liabilities	7	(150,776)	(220,957)
Total liabilities		(150,776)	(220,957)
Net assets		30,371	12,550
Capital and reserves			
Called up share capital	9	–	–
Share premium account		2,024	2,024
Capital contribution from shareholder		110,600	–
Retained earnings		(82,253)	10,526
Total equity		30,371	12,550

The financial statements were approved by the board of directors on 19 September 2013 and signed on its behalf by

G W Ford
Director

B J Price
Director

Statement of changes in shareholders' equity

for the year ended 31 May 2012

	Called up share capital £000	*Share premium account £000*	*Capital contribution from shareholder £000*	*Retained earnings £000*	*Total £000*
At 1 June 2010	–	2,024	–	10,682	12,706
Total comprehensive income for the year	–	–	–	(156)	(156)
At 31 May 2011	–	2,024	–	10,526	12,550
Capital contribution from shareholder	–	–	110,600	–	110,600
Total comprehensive income for the year	–	–	–	(92,779)	(92,779)
At 31 May 2012	–	2,024	110,600	(82,253)	30,371

Notes to the financial statements

at 31 May 2012

1. Accounting policies

Authorisation of financial statements and statement of compliance with IFRSs

Rome PIK Holdco Limited is a private limited company incorporated and domiciled in England and Wales

The financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the European Union as applicable for the year ended 31 May 2012 applied in accordance with the provisions of the Companies Act 2006

These financial statements have been prepared for the individual company only The company has taken advantage of the exemption available under section 400 of the Companies Act 2006 not to prepare group financial statements as the results of the company are included in the consolidated financial statements of an intermediate parent undertaking and are publicly available (as set out in note 11)

The company's transactions have been funded by another group company and the company does not have a bank account Accordingly, the company had no cash flows during the year and no statement of cash flows is presented

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will be able to meets its liabilities as they fall due for the foreseeable future

The company's immediate parent undertaking, Rome Topco Unlimited, has confirmed to the directors that it will not seek repayment of amounts owed totalling £150 8m until such time as the company is able to meet these liabilities The company is part of a group of companies that are dependent on the ongoing trading and financing activities of Rome Pikco Limited, the company's 100% subsidiary ('the Pikco group')

The directors of the Pikco group have produced cash flow forecasts that indicate that the Pikco group will continue as a going concern for the foreseeable future, which is no less than 12 months from the date of approving these financial statements In making this assessment, the directors have taken into account the ongoing difficult macro-economic and trading environment prevailing in the UK and have reflected this in their assumptions on the Pikco group's growth prospects The directors remain confident their forecasts are achievable

Having made due and careful enquiry, the directors consider that there are no material uncertainties that may cast doubt over the Pikco group's ability to continue as a going concern and therefore apply the same conclusion to the company

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year The nature of estimation means that actual outcomes could differ from those estimates

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are the measurement and impairment of investments and the recoverability of intra-group receivables The Company identifies whether investments are impaired on an annual basis, and this requires an assessment of indicators of impairment and an estimation of the value in use of the group of cash generating units This involves estimation of future cash flows and choosing a suitable discount rate The recoverability of intra-group receivables is evaluated through its assessment of the ability of the debtor to pay in the context of the wider group's trading and capital structure

Notes to the financial statements (continued)

at 31 May 2012

1. Accounting policies (continued)

Basis of preparation

The financial statements are presented in Sterling and all values are rounded to the nearest thousand (£000) except as otherwise indicated

Investments

Non-current asset investments are stated at cost less provision for impairment The carrying value of fixed asset investments is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable

Financial assets

Financial assets are recognised when the company becomes party to the contracts that give rise to them and are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or as available for sale financial assets, as appropriate The company determines the classification of its financial assets at initial recognition and re–evaluates this designation at each financial year end When financial assets are recognised initially, they are measured at fair value, being the transaction price, plus in the case of financial assets not a fair value through the profit or loss, directly attributable transaction costs

All regular way purchases and sales of financial assets are recognised on the trade date, being the date that the company commits to purchase or sell the asset Regular way transactions require delivery of assets within the timeframe generally established by regulation or convention in the market place The subsequent measurement of financial assets depends on their classification, as follows

Held to maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the company has the positive intention and ability to hold to maturity Held to maturity investments are carried at amortised cost using the effective interest method Gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process Investments intended to be held for an undefined period are not included in the statement of comprehensive income

Loans and receivables

Loans and receivables are non–derivative financial assets that are designated as such or are not classified in any other category

Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset

Available-for-sale financial assets

After initial recognition, available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income For available-for-sale financial investments, the company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired

Notes to the financial statements (continued)

at 31 May 2012

1. Accounting policies (continued)

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost, where 'significant' is estimated to be around 20% of the original cost of the investment and 'prolonged' is more than 12 months Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income – is removed from other comprehensive income and recognised in the statement of comprehensive income Impairment losses on equity investments are not reversed through the statement of comprehensive income, increases in their fair value after impairment are recognised directly in other comprehensive income

Impairment of financial assets

The company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the balance sheet date

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future, and

- deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date

The carrying amount of deferred tax assets is reviewed at each balance sheet date Deferred tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred taxes relate to the same taxation authority and that authority permits the company to make a single net payment

Capital instruments

Ordinary shares are classified as equity instruments Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in equity

Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss

Notes to the financial statements (continued)

at 31 May 2012

1. Accounting policies (continued)

New standards and interpretations

The International Accounting Standards Board ('IASB') have issued a number of standards with an effective date after the date of approval of these financial statements that have not yet been adopted by the company Those that are considered to be applicable to the company are listed below

International Accounting Standards (IAS/IFRS/IFRIC)		Effective date
IFRS 9	Financial Instruments Classification and Measurement	1 January 2013*
IAS 1	Amendment – presentation of items of other comprehensive income	1 July 2012
IFRS 12	Disclosure of Interests in Other Entities	1 January 2014
IFRS 7	Disclosure – offsetting of financial assets and financial liabilities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013
IAS 32	Amendment - offsetting of financial assets and financial liabilities	1 January 2014
IFRS 9	Financial Instruments Classification and Measurement	1 January 2015

*Not yet endorsed by the European Union

The effective dates stated here are those given in the original IASB standards As the Company prepares its financial statements in accordance with IFRS as adopted by the European Union, the application of new standards will be subject to the standards having been endorsed for use in the EU via the EU Endorsement mechanism In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the company's discretion to early adopt standards

The directors do not anticipate that the adoption of the standards will have a material impact on the company's financial statements in the period of initial application

2. Finance income / expense

The interest rate applied to the loan from the parent undertaking set out in note 7 was amended in the year The interest charge of £40,420,000 reflects the original interest due in the year up to the date of amendment and the amended interest due from the date of amendment to the year end

The interest rate amendment was also applied to the loan due from the subsidiary undertaking set out in note 6, and resulted in a reimbursement of interest charged in prior years of £62,588,000

3. Operating profit

Auditors' remuneration for 2011 and 2012 has been met by another group company

No remuneration was paid or is payable to the directors in their capacity as directors of the company (2011 – nil) The directors received emoluments from a fellow group undertaking of £588,583 in respect of services to the group Total emoluments paid by the enlarged group to directors of the company (including pension scheme contributions) was £588,583 (2011 £606,180) It is not possible to identify the proportion of these emoluments that relate to services to this company

Notes to the financial statements (continued)

at 31 May 2012

4. Income tax

There is no tax charge for the year ending 31 May 2012 (2010 – nil) Profit before tax for the year multiplied by the standard rate of corporation tax in the UK reconciles to the tax charge as follows

	2012 *£000*	*2011* *£000*
Loss on ordinary activities before tax	(92,779)	(156)
Profit / (loss) on ordinary activities multiplied by the standard average rate of corporation tax in the UK of 25 67 % (2011 – 27 6%)	(23,816)	(44)
Group relief surrendered for nil payment	23,816	44
Total current tax	–	–

5. Investments – non-current

	Shares in subsidiary undertakings *£000*	*Total* *£000*
Cost		
At 31 May 2011 and 31 May 2012	2,024	2,024

The company owns the entire share capital of Rome Pikco Limited, which is the holding company of Rome Bidco Limited, which owns the entire issued equity share capital of Caffe Nero Group Limited, which operates Italian style coffee bars

6. Investments – current

	Loans to subsidiary undertakings *£000*	*Total* *£000*
Cost		
At 31 May 2011 and 31 May 2012	98,450	98,450

In the opinion of the directors, the fair value of the investments in subsidiary undertakings is not less than the carrying amount The loan to the company's subsidiary undertaking is repayable on demand, together with all the interest accrued on it of £80,673,000 (2011 £133,033,000) Interest accrues on the outstanding principal amount of debt and any unpaid interest at a rate agreed by the lender and borrower Interest is payable on such day or days as may be agreed by the lender and borrower

Notes to the financial statements (continued)

at 31 May 2012

6. Investments – current (continued)

Details of company undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*
Subsidiary undertakings			
Rome Pikco Limited	Ordinary shares	100%	Holding
Rome Bidco Limited	Ordinary shares	100%	Financing
Caffe Nero Group Limited	Ordinary shares	100%	Holding
Nero Holdings Limited	Ordinary shares	100%	Coffee retail
Aroma Limited	Ordinary shares	100%	Coffee retail
Caffe Nero Investments Limited	Ordinary shares	100%	Holding
Caffe Nero Ventures Limited	Ordinary shares	100%	Holding
Nero Coffee Roasting Limited	Ordinary shares	100%	Coffee roasting
Joint venture			
Caffe Nero Gida Urunleri AS	Ordinary shares	50%	Coffee retail

Subsequent to the year-end, Caffe Nero Investments Limited acquired a 58% stake in Green Coffee Poland SP Zoo , a company incorporated in Poland

7. Financial liabilities

	2012	*2011*
	£000	*£000*
Interest bearing loans and borrowings		
Loan from parent undertaking	98,450	98,450
Rolled up interest due to parent undertaking	52,326	122,507
Total	150,776	220,957

The loan from the company's parent undertaking is repayable in January 2037, unless an earlier repayment date is agreed between the two parties

The loan is carried at amortised cost using the effective interest rate method The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount

During the year, the interest rate on the company's loan from its parent undertaking, Rome Topco Unlimited, was reduced retrospectively mirroring an arrangement agreed with the company's ultimate parent undertaking and its shareholders As a result, the company has recognised an equity contribution of £110 6m

Notes to the financial statements (continued)

at 31 May 2012

8. Financial instruments

The company's principal financial instruments comprise investments, amounts due from subsidiary undertakings, and the loan from its parent undertaking The main purpose of the loan from the parent undertaking is to provide finance for the company's operations and acquisitions It is, and has been throughout the year under review, the company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the company's use of financial instruments includes liquidity risk, credit risk and interest rate risk The directors review and agree policies for managing exposure to each of these risks and these policies are summarised below

Liquidity Risk

Interest on the loan from the company's parent is payable at 25 125% per annum in the first year, 23 125% per annum in the second year and 7 125% semi-annually thereafter The effective annual interest rate on the loan is 8 3%, based on the assumption that the loan will be repaid no later than 2037 This assumption has been made on the basis that the loan with the parent company mirrors the terms of the deep discount bonds held by the parent company, which must be redeemed by 2037

These interest rates were adjusted retrospectively during the year (previously the effective annual interest rate was 20 3%) At the same time as the contractual adjustment was made, the company reassessed the market rate on the loan to be 8 3%

Credit Risk

Exposure to credit risk is substantially restricted to the inability of group companies to repay their debts This exposure is deemed minimal The exposure to credit risk is represented by the carrying value at the balance sheet date

Interest rate risk

The company borrows in Sterling at floating rates of interest Excess cash is placed on short term deposit for up to a week with Bank of Scotland at variable money market rates

The contract maturity table below assumes that interest will continue to be accrued until 2037

Year ended 31 May 2012	*On demand*	*Within 1 year*	*1-5 years*	*More than 5 years*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Loan from parent undertaking	–	–	–	98,450	98,450
Rolled up interest on loan from parent undertaking	–	–	–	978,625	978,625
	–	–	–	1,077,075	1,077,075

Year ended 31 May 2011	*On demand*	*Within 1 year*	*1-5 years*	*More than 5 years*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Loan from parent undertaking	–	–	–	98,450	98,450
Rolled up interest on loan from parent undertaking	–	–	–	24,370,724	24,370,724
	–	–	–	24,469,174	24,469,174

Notes to the financial statements (continued)

at 31 May 2012

8. Financial instruments (continued)

Interest rate risk profile of financial assets and liabilities

The interest rate profile of the financial assets and liabilities of the company at the period end denominated in Sterling were as follows

Year ended 31 May 2012

	Within 1 year £000	*1-2 years £000*	*2-3 years £000*	*3-4 years £000*	*4-5 years £000*	*More than 5 years £000*	*Total £000*
Fixed rate							
Loan from parent undertaking	–	–	–	–	–	(98,450)	(98,450)
Rolled up interest on loan from parent undertaking	–	–	–	–	–	(52,326)	(52,326)
Loan to subsidiary undertaking	98,450	–	–	–	–	–	98,450
Rolled up interest on loan to subsidiary undertaking	80,673	–	–	–	–	–	80,673

Year ended 31 May 2011

	Within 1 year £000	*1-2 years £000*	*2-3 years £000*	*3-4 years £000*	*4-5 years £000*	*More than 5 years £000*	*Total £000*
Fixed rate							
Loan from parent undertaking	–	–	–	–	–	(98,450)	(98,450)
Rolled up interest on loan from parent undertaking	–	–	–	–	–	(122,507)	(122,507)
Loan to subsidiary undertaking	98,450	–	–	–	–	–	98,450
Rolled up interest on loan to subsidiary undertaking	133,033	–	–	–	–	–	133,033

Fair values of financial assets and liabilities

The book values of financial instruments of the company are set out below The directors consider that there were no material differences between the book value and fair value of financial assets and liabilities

	2012 £000	*2011 £000*
Loan from parent undertaking, including rolled up interest	(150,776)	(220,957)
Loan to subsidiary undertaking, including rolled up interest	181,147	233,507

Notes to the financial statements (continued)

at 31 May 2012

9. Authorised and issued share capital

	No	£
Authorised		
£1 ordinary shares (at 31 May 2011 and 31 May 2012)	100	100

	£1 Ordinary shares	
Allotted, called up and fully paid	*No*	*£*
£1 ordinary shares (at 31 May 2011 and 31 May 2012)	51	51

10. Related party transactions

Related party transactions in the year are summarised in notes 2, 6 and 7

11. Ultimate parent undertaking and controlling party

The company's ultimate parent undertaking and controlling party was Saratoga Limited, a company incorporated in the Isle of Man The company's immediate parent undertaking was Rome Topco Unlimited

Rome Holdco Sarl (incorporated in Luxembourg) is the parent undertaking of the smallest and largest group of which the company is a member and for which group financial statements are prepared Copies of the group financial statements for Rome Holdco Sarl will be available from Rome Holdco Sarl at 46A Avenue JF Kennedy, L-1855 Luxembourg