

Registration number: 06022528

Casual Dining Services Limited

Unaudited Annual Report and Financial Statements

for the Period from 28 May 2018 to 26 May 2019



Casual Dining Services Limited

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Casual Dining Services Limited

Company Information

Directors	G. David J. Spragg
Registered office	1st Floor 163 Eversholt Street London NW1 1BU
Solicitors	Taylor Wessing 5 New Street Square London EC4A 3TW
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP

Casual Dining Services Limited

Directors' Report for the Period from 28 May 2018 to 26 May 2019

The Directors present their annual report and the unaudited financial statements of Casual Dining Services Limited ("the Company") for the period from 28 May 2018 to 26 May 2019.

Directors of the Company

The directors of the company who were in office during the period and up to the date of signing (unless otherwise stated) the financial statements were:

G. David

J. Spragg (appointed 30 April 2019)

S. Richards (resigned 30 April 2019)

Principal activity

The principal activity of the Company is to operate as a service company to support the operation of a restaurant business. There has been no change in this activity during the period.

Results and dividends

The result for the financial period amounted to £0 (2018: loss £362,000). The Directors do not propose the payment of a dividend (2018: Nil). The net liabilities of the Company at 26 May 2019 were £577,000 (2018: £577,000).

Review of developments and future prospects

The Company will continue to operate as a service company for the foreseeable future.

Principal risks and uncertainties

From the perspective of the Company, its principal risks and uncertainties are integrated with the principal risks of Casual Dining Bidco Limited and its subsidiaries ("the Group") of which the Company is a member and are not managed separately. The principal risks and uncertainties of the Group are disclosed in Casual Dining Bidco Limited's consolidated financial statements which does not form part of this report.

Key performance indicators

The Directors of Casual Dining Bidco Limited manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Casual Dining Services Limited. The development, performance and position of the business of the Group is discussed within the Strategic and Directors' Reports of Casual Dining Bidco Limited's consolidated financial statements which does not form part of this report.

Employee involvement

The Board recognises the importance of employees being fully informed of events which directly affect them and their working conditions. The Company has in place a number of channels of communication including regular team and area meetings, weekly and monthly publications and a company intranet. In addition, the management board carries out two business updates a period with all restaurant managers.

Employment of disabled persons

The Company's policy is that, wherever it is practicable and reasonable within existing legislation, all employees, including disabled persons, are treated in the same way in matters relating to employment, training, career development and promotion. Every effort is made to retain and assist any individuals disabled during their employment. Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Casual Dining Bidco Limited. The directors have received confirmation that Casual Dining Bidco Limited intends to support the Company for at least one year after these financial statements are signed.

Strategic Report exemption

The Company qualifies for the small company exemption under Section 414B of the Companies Act 2006 and therefore has not prepared a Strategic Report.

Casual Dining Services Limited

Directors' Report for the Period from 28 May 2018 to 26 May 2019 (continued)

Statement of directors' responsibilities in respect of the financial statements

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

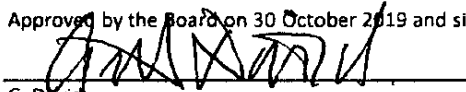
Company law requires the directors to prepare financial statements for each financial 52 week period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Approved by the Board on 30 October 2019 and signed on its behalf by:


G. David
Director

Casual Dining Services Limited

**Statement of Comprehensive Income
for the period from 28 May 2018 to 26 May 2019**

		52 weeks ended 26 May 2019 £'000	52 weeks ended 27 May 2018 £'000
	Note		
Other income		(128,923)	124,931
Administrative expenses	3	128,923	(125,293)
Operating result /(loss)		-	(362)
Loss before taxation		-	(362)
Income tax expense	4	-	-
Result/(loss) for the financial period and total comprehensive expense		-	(362)

The above results were derived from continuing operations unless otherwise stated.

The notes on pages 7 to 11 form an integral part of these financial statements.

Casual Dining Services Limited

(Registration number: 06022528)

Statement of Financial Position as at 26 May 2019


	Note	26 May 2019 £'000	27 May 2018 £'000
Assets			
Current assets			
Trade and other receivables	5	10,292	9,546
		<u>10,292</u>	<u>9,546</u>
Total assets		<u>10,292</u>	<u>9,546</u>
Equity and liabilities			
Current liabilities			
Trade and other payables	6	(10,869)	(8,823)
Provisions for liabilities	7	-	(1,300)
Total liabilities		<u>(10,869)</u>	<u>(10,123)</u>
Net liabilities		<u>(577)</u>	<u>(577)</u>
Equity			
Called up share capital	8	29,076	29,076
Share		110,428	110,428
Profit and loss account		(140,081)	(140,081)
Total equity and liabilities		<u>(577)</u>	<u>(577)</u>

For the period ended 26 May 2019 the Company was entitled to exemption under section 479a of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- No members have required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act.
- The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

These financial statements on pages 4 to 11 were approved by the Board of Directors on 30 October 2019 and signed on its behalf by:



G. David
Director

The notes on pages 7 to 11 form an integral part of these financial statements.

Casual Dining Services Limited

**Statement of Changes in Equity
for the period from 28 May 2018 to 26 May 2019**

	Share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
At 29 May 2017	29,076	110,428	(139,719)	(215)
Total comprehensive loss for the period	-	-	(362)	(362)
At 27 May 2018	29,076	110,428	(140,081)	(577)
At 28 May 2018	29,076	110,428	(140,081)	(577)
Total comprehensive loss for the period	-	-	-	-
At 26 May 2019	29,076	110,428	(140,081)	(577)

The notes on pages 7 to 11 form an integral part of these financial statements.

Casual Dining Services Limited
Notes to the Financial Statements
for the Period from 28 May 2018 to 26 May 2019

1. General Information

Casual Dining Services Limited ("the Company") is incorporated in the United Kingdom. The registered office is 1st Floor, 163 Eversholt Street, London NW1 1BU. The Company is a subsidiary of Casual Dining Bidco Limited which forms one of the largest mid-market restaurant operators in the UK with 266 restaurants as at 26 May 2019, operating primarily under the Café Rouge, Bella Italia, Las Iguanas and La Tasca brands.

Information on the ultimate parent of the Company is provided in Note 11.

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared on the going concern basis and under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The financial statements of the Company have been prepared for the accounting period ended 26 May 2019.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

The functional and presentational currency of the Company is pounds sterling, rounded to the nearest thousand.

Going Concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Casual Dining Bidco Limited. The directors have received confirmation that Casual Dining Bidco Limited intends to support the Company for at least one year after these financial statements are signed.

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- IAS 7 "Statement of cash flows"
- Paragraph 30 of IAS 8 "Accounting policies, changes in accounting estimates and errors" (disclosure of standard issued but not yet adopted)
- IFRS 7 "Financial instruments: Disclosures"
- Paragraph 17 of IAS 24, "Related party disclosures" (key management compensation)
- The requirements in IAS 24, "Related party disclosures" to disclose related party transactions entered into between two or more members of a group.

Casual Dining Services Limited

Notes to the Financial Statements for the Period from 28 May 2018 to 26 May 2019 (continued)

2. Accounting policies (continued)

Changes in accounting policy and disclosures

IFRS 9, 'Financial Instruments' and IFRS 15 'Revenues from Contracts with Customers' are new accounting standards that are effective for periods beginning on or after 1 January 2018. The Company has therefore adopted these standards for the first time in the period ended 26 May 2019 using the modified retrospective approach.

IFRS 15 requires revenue recognition that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to, in exchange for those goods or services. IFRS 15 has been adopted using the modified retrospective approach and no practical expedients have been applied. Adoption of IFRS 15 has not had a material impact on the recognition or measurement of revenue.

Adoption of IFRS 9 financial assets that were previously classified as loans and receivables under IAS 39 are now categorised as financial assets at amortised cost. The change in classification has not affected the measurement of these assets. Impairment of financial assets is assessed based on the expected credit loss model under IFRS 9, rather than the incurred loss model that was previously used. The Company has applied the simplified approach permitted under IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of trade receivables based on current, historic and forward-looking information. Application of the new impairment model has not had a material impact on the carrying value of expected credit losses and no adjustments have been made to the opening impairment provision balance.

There were no other changes to the accounting standards in the current year that had an impact on the Company.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for any deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Company is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Company the ability to control the reversal of the temporary difference is the deferred tax liability not recognised.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

Casual Dining Services Limited
Notes to the Financial Statements
for the Period from 28 May 2018 to 26 May 2019 (continued)

2. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Company has become a party to the contractual provisions of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below.

Financial assets

Financial assets comprise cash and cash equivalents and trade and other receivables. The Company classifies all of its financial assets as assets at amortised costs as they are held with the objective to collect the contractual cash flows and these contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). They are initially recognised at fair value plus directly attributable transaction costs, and subsequently at amortised cost using the effective interest method less provisions for impairment. The Company applies the IFRS 9 simplified approach to measuring the expected credit loss by measured by reviewing trade receivables on a customer basis which are past due.

Financial liabilities

Financial liabilities comprise borrowings and trade and other payables. Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and liability simultaneously.

Provisions

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

Provisions are measured at managements' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Casual Dining Services Limited

Notes to the Financial Statements for the Period from 28 May 2018 to 26 May 2019 (continued)

3. Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	28 May 2018 to 26 May 2019 £'000	29 May 2017 to 27 May 2018 £'000
Wages and salaries	118,616	115,457
Social security costs	8,889	8,627
Other pension costs	1,418	848
	<u>128,923</u>	<u>124,931</u>

The Company is the employer for all companies within the Casual Dining Bidco Group Ltd group of companies, with total employees during the period of 6,940 (2018: 7,140). The Company recharges these costs to other companies within the Group at cost within other income. Neither of the Directors (2018: none) received any remuneration in respect of their services for the Company during the period (2018: £nil).

4. Income tax expense

Tax charged in the statement of comprehensive income:

	28 May 2018 to 26 May 2019 £'000	29 May 2017 to 27 May 2018 £'000
Current taxation		
UK corporation tax	-	-

The tax on loss before tax for the period is equal to the standard rate of corporation tax in the UK (2018 - equal to the standard rate of corporation tax in the UK) of 19% (2018 19%). The tax rate for the prior period is based on a weighted average rate of enacted corporation tax rates during the period.

The differences are reconciled below:

	28 May 2018 to 26 May 2019 £'000	29 May 2017 to 27 May 2018 £'000
Loss before tax	-	(362)
Corporation tax at standard rate	-	(69)
Effects of:		
Expenses not deductible for tax purposes	-	69
Tax charge / (recovery) in the statement of comprehensive income	<u>-</u>	<u>-</u>

The Company has an unrecognised deferred tax asset in respect of losses carried forward of £nil (2018 - £nil) due to it not being sufficiently probable that these will be utilised in the near future.

The Finance Act 2015 introduced a reduction in the main rate of corporation tax from 20% to 19% from April 2017 and from 19% to 18% from April 2020. These reductions were substantively enacted on 26 October 2015. A rate of 19% (2018: blended rate of 19%) has been used to calculate the tax provision for the 52 weeks to 26 May 2019. The Finance Act 2016 introduced a further reduction in the main rate of corporation tax to 17% from April 2020. This was substantively enacted on 6 September 2016.

Casual Dining Services Limited

Notes to the Financial Statements for the Period from 28 May 2018 to 26 May 2019 (continued)

5. Trade and other receivables

	26 May 2019 £'000	27 May 2018 £'000
Amounts owed by other members of the Group	10,292	9,546
	<u>10,292</u>	<u>9,546</u>

Amounts owed by other members of the Group have no fixed repayment date, are interest free and unsecured.

6. Trade and other payables

	26 May 2019 £'000	27 May 2018 £'000
Accrued expenses	139	139
Social security and other taxes	2,305	2,113
Other payables	8,425	6,571
	<u>10,869</u>	<u>8,823</u>

7. Provisions for liabilities

	Other provisions £'000
At 28 May 2018	1,300
At 26 May 2019	-

Other provisions

Other provisions represent legal and other amounts for which the Company has a constructive or legal obligation.

8. Called up share capital

Allocated, called up and fully paid shares

	26 May 2019 No. 000	26 May 2019 £'000	27 May 2018 No. 000	27 May 2018 £'000
Ordinary shares of £0.10 each	290,756	29,076	290,756	29,076

9. Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £1,418,000 (2018: £848,000).

10. Related party transactions

The Company has taken advantage of the exemption in FRS101 "Related Party Disclosures" from disclosing transactions with other members of the Group.

11. Parent and Ultimate parent undertaking

The immediate parent undertaking is Casual Dining Limited, registered in England and Wales which together with its subsidiaries form the smallest Group of which the Company is a member and for which Group financial statements are prepared.

At the date of signing these financial statements the Company considers Dining (UK) Holdco LLP, a limited liability partnership incorporated in England and Wales, as the ultimate parent undertaking and form the largest group of which the Company is a member and for which group financial statements are prepared. The Company considers KKR & Co. Inc, through its managed funds, to be the ultimate controlling party.