

Company number: 07627429 (England and Wales)

CABANA RESTAURANTS LIMITED

**REPORTS AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2014

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CABANA RESTAURANTS LIMITED

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CABANA RESTAURANTS LIMITED
COMPANY INFORMATION

Directors

Clare Barber
James Barber
David Ponte
Jonathan Lander

Registered office

8 Lancashire Court
London
W1S 1EY

Auditors

Lewis Golden LLP
40 Queen Anne Street
London
W1G 9EL

CABANA RESTAURANTS LIMITED
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

I am pleased to be reporting on the Company's results for the 12 months ended 31 December 2014.

Results

Revenue for the year was up 72% at £7,674,691 (2013 - £4,444,919). EBITDA before pre-opening expenses was £1,029 (2013 EBITDA loss of £140,988).

Openings

Two new Cabana units were opened during the year. The unit at the O2 Arena opened in August, and the unit at the Trinity Centre in Leeds opened in November.

Since the year end, we have committed to five further Cabana units. Brixton, Manchester and Newcastle are set to open before the end of 2015, Southampton is scheduled for Q2 2016 and Watford for Q1 2017.

Cash flows

Net cash outflow for the year before financing was £3,151,755 (2013 - £2,047,926). The majority of this outflow relates to capital expenditure on the two new units. Cash outflow from operating activities was £344,625 (2013 - cash inflow of £189,762).

During the year, the Company's bank facility was increased to £329,347 (2013 - decreased to £211,216). During the year, the Company raised £3,215,931 from the issue of new shares in January and June 2014 through a Rights Issue. Post year end, the Company has raised a further £4,999,996 from the issue of new shares in July 2015.

Review of the business

The Company delivered a strong revenue performance in 2014. The five pre-existing sites performed well and the two new units at the O2 Arena and Leeds contributed to our EBITDA and continue to grow.

The Company continued its expansion during the year, adding two new sites to the estate bringing the number of sites open to seven. By the end of 2016 we would hope to have added a further seven sites to the estate.

Pre-opening costs and accounting adjustments

Pre-opening expenses have been highlighted in the Profit and Loss Account as these costs represent rent, rates and training costs which are necessarily incurred in the period before the new units are open but are non-recurring.

The Company recognises a numbers of charges in the accounts which arise under accounting rules which have no transactional cash impact. These charges include rent free periods, some of which are included in pre-opening expenses.

Staff

Our "familia" continues to be a strong focus of attention and we strive to support and develop those team members who exhibit the ambition and personalities to grow as we grow. Since the year end we have invested in a dedicated Training and Development manager to underpin this approach.

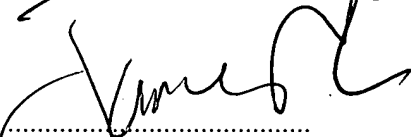
CABANA RESTAURANTS LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

Current trading

Since the year end, trading has been in line with the year ended 31 December 2014 and we continue to demonstrate solid like for like growth.


.....
James Barber
Chairman

Date: 02/09/15

CABANA RESTAURANTS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their strategic report for the year ended 31 December 2014.

Business review

Fair review of the business

Cabana has continued its planned growth this year. The five mature units at Westfield Stratford, Westfield London, Central St Giles, Wembley and Islington have performed well and have continued, as at the time of writing, to show solid like for like growth.

In August and November, we opened units at the O2 Arena in Greenwich and the Trinity Centre in Leeds, respectively. The site at the O2 Arena in particular has exposed the brand to a large volume of people in a short space of time.

In July 2015, the Company successfully raised £5 million in equity from shareholders for further expansion and we expect to open units in Brixton, Manchester and Newcastle by the close of 2015. We have already secured units for 2016 and 2017.

Sales for the year were £7.67m up 72% on the prior year as a result of the new openings and sales growth at existing sites. This growth has been recognised by the Sunday Times FastTrack 100 list of fastest growing companies and Cabana has been awarded the accolade of “Ones to Watch”.

EBITDA before pre-opening costs was £1,029 compared with an EBITDA loss of £140,988 in the prior year and was in line with management expectations.

We believe that Cabana continues to emerge to be an important part of the premium casual dining sector and we look forward to further growth in the year to come.

CABANA RESTAURANTS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

Principal risks and uncertainties

Economic climate

Changes in consumer confidence can affect the restaurant sector. Although the economic outlook is looking less volatile, sentiment can change quickly. The Cabana price point is positioned affordably and is well placed to mitigate change in economic climate.

Site acquisition

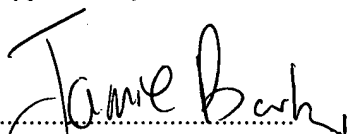
The Company's expansion plans depend upon the availability of suitable premises which in light of economic recovery is proving to be challenging. The Company has close links with property owners and agents and is actively seeking opportunities.

Liquidity

The Company's activities expose it to financial risks including liquidity risk and interest rate risk. The Company has liquidity management procedures in place appropriate to the size and complexity of the business.

The Company has bank borrowings, the interest on which is linked to the Bank of England base rate. The Company therefore has exposure to interest rate risk. The Company has not entered into any complex financial instruments or derivative products.

Approved by the Board on 02/09/15 and signed on its behalf by:


.....
James Barber
Director

CABANA RESTAURANTS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Directors

The following directors have held office since 1 January 2014:

Clare Barber
James Barber
David Ponte
Jonathan Lander

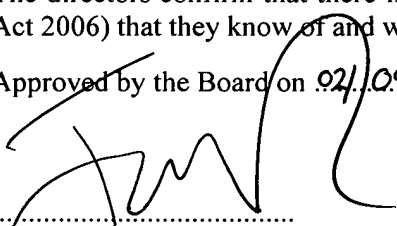
Directors' liabilities

The company held third party indemnity insurance on behalf of the directors during the current and prior year.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information (as defined by section 418(3) of the Companies Act 2006) that they know of and which they know the auditor is unaware of.

Approved by the Board on 02/09/15 and signed on its behalf by:


.....
James Barber
Director

CABANA RESTAURANTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 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 apply them consistently;
- 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 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.

CABANA RESTAURANTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABANA RESTAURANTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2014

We have audited the financial statements of Cabana Restaurants Limited for the year ended 31 December 2014, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, and the related Notes to the Financial Statements 1 to 22. 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 Statement of Directors' Responsibilities (set out on page 7), 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 (APB'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 Reports and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31 December 2014 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CABANA RESTAURANTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABANA RESTAURANTS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2014 (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.



Andrew Moss (Senior Statutory Auditor)
For and on behalf of Lewis Golden LLP

Chartered Accountants and Statutory Auditors
40 Queen Anne Street
London
W1G 9EL

Date:

2 September 2015

CABANA RESTAURANTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
Turnover		7,674,691	4,444,919
Cost of sales		(4,598,182)	(2,763,665)
Gross profit		3,076,509	1,681,254
Administrative expenses		(3,705,642)	(2,121,984)
Pre-opening administrative expenses	2	(173,162)	(55,608)
Other operating income	3	69,777	-
Operating loss	4	(732,518)	(496,338)
Other interest receivable and similar income		185	1,928
Interest payable and similar charges	8	(42,283)	(11,901)
Loss on ordinary activities before taxation		(774,616)	(506,311)
Tax on loss on ordinary activities	9	-	-
Loss for the financial year		(774,616)	(506,311)

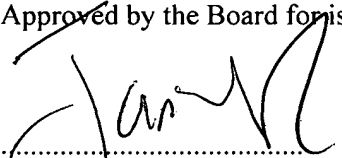
Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

CABANA RESTAURANTS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible fixed assets	10	7,086,488	4,754,345
Current assets			
Stocks	11	205,816	138,962
Debtors	12	592,848	517,179
Cash at bank and in hand		366,808	283,353
		1,165,472	939,494
Creditors: amounts falling due within one year	13	(1,513,151)	(1,548,423)
Net current liabilities		(347,679)	(608,929)
Total assets less current liabilities		6,738,809	4,145,416
Creditors: amounts falling due after more than one year	14	(515,315)	(363,237)
Net assets		6,223,494	3,782,179
Capital and reserves			
Called up share capital	15	679,015	503,127
Share premium account	18	8,021,400	4,981,357
Profit and loss account	18	(2,476,921)	(1,702,305)
		6,223,494	3,782,179

Approved by the Board for issue on 02/09/15 and signed on its behalf by:


 James Barber
 Director

(Company number: 07627429)

CABANA RESTAURANTS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
Reconciliation of operating loss to net cash flow from operating activities			
Operating loss		(732,518)	(496,338)
Depreciation, amortisation and impairment charges		560,385	299,742
Increase in stocks		(66,854)	(77,117)
Increase in debtors		(75,669)	(213,193)
(Decrease)/increase in creditors		(29,969)	676,668
Net cash (outflow)/inflow from operating activities		(344,625)	189,762
Returns on investments and servicing of finance			
Interest received		185	1,928
HP and finance lease interest paid		(26,147)	(1,970)
Interest paid		(16,136)	(9,931)
		(42,098)	(9,973)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(2,765,032)	(2,228,215)
Sale of tangible fixed assets		-	500
		(2,765,032)	(2,227,715)
Net cash outflow before financing		(3,151,755)	(2,047,926)
Financing			
Value of new loans obtained during the year		250,000	-
Repayment of loans and borrowings		(131,869)	(71,374)
Issue of shares		3,215,931	1,785,481
Repayment of capital element of finance leases and HP contracts		(98,852)	(13,547)
		3,235,210	1,700,560
Increase/(decrease) in cash	20	83,455	(347,366)

CABANA RESTAURANTS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

Reconciliation of net cash flow to movement in net debt

	Note	2014 £	2013 £
Increase/(decrease) in cash		83,455	(347,366)
Cash inflow from increase in loans		(250,000)	-
Cash outflow from repayment of loans		131,869	71,374
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>98,852</u>	<u>13,547</u>
Change in net debt resulting from cash flows	20	64,176	(262,445)
 New finance leases		<u>(127,496)</u>	<u>(127,517)</u>
Movement in net debt	20	(63,320)	(389,962)
Net funds at 1 January	20	<u>(41,833)</u>	<u>348,129</u>
Net debt at 31 December	20	<u><u>(105,153)</u></u>	<u><u>(41,833)</u></u>

CABANA RESTAURANTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis. The shareholders will support the operational needs of Cabana Restaurants Limited, in order to allow the company to meet its liabilities as and when they fall due.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold land and buildings	straight line over the lease term
Plant and machinery	straight line over 15 years
Fixtures and fittings	straight line at 20% per annum
Kitchen equipment	straight line at 15% per annum

Stock

Stock is valued at the lower of cost and net realisable value.

Deferred tax

A deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Share-based payments

The company has equity settled share-based payment arrangements. Equity settled share-based payments are measured at fair value at the date of grant.

CABANA RESTAURANTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

2 Pre-opening administrative expenses

	2014	2013
	£	£
Pre-opening expenses	<u>173,162</u>	<u>55,608</u>

Pre-opening expenses are costs incurred before new restaurant sites can commence trade. These comprise: rent, rates and service charge; staff costs; light, heat and power; and other expenses which are ordinarily classified as administrative expenses.

In the current year, The O2 London and Trinity Leeds opened in August and November respectively. In the prior year, London Designer Outlet Wembley and Upper Street Islington opened in October and November respectively.

3 Other operating income

Other operating income includes: rental income of £58,154 generated from residential property held under the same operating lease as the restaurant at Islington, London; income of £10,623 generated from The Cabana Cookbook; and a marketing payment of £1,000 received from a beverage supplier.

4 Operating loss

Operating loss is stated after charging:

	2014	2013
	£	£
Auditor's remuneration - The audit of the company's financial statements	11,750	11,000
Depreciation of owned assets	<u>560,385</u>	<u>299,742</u>

CABANA RESTAURANTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

5 Auditor's remuneration

	2014	2013
	£	£
Audit of the financial statements	11,750	11,000
Other fees to auditors		
Other services	16,859	17,690
	<u>28,609</u>	<u>28,690</u>

6 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2014	2013
	No.	No.
Administration and support	8	7
Operational	194	117
	<u>202</u>	<u>124</u>

The aggregate payroll costs were as follows:

	2014	2013
	£	£
Wages and salaries	2,707,658	1,651,862
Social security costs	178,557	111,095
	<u>2,886,215</u>	<u>1,762,957</u>

CABANA RESTAURANTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2014 £	2013 £
Remuneration	<u>178,000</u>	<u>172,000</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2014 No.	2013 No.
Received or were entitled to receive shares under long term incentive schemes	<u>1</u>	<u>1</u>

8 Interest payable and similar charges

	2014 £	2013 £
Interest on bank borrowings	16,136	9,931
Finance charges	<u>26,147</u>	<u>1,970</u>
	<u>42,283</u>	<u>11,901</u>

9 Taxation

Factors that may affect future tax charges

The unrecognised deferred tax asset comprises estimated tax losses available to carry forward against future taxable trading profits of £3,528,000 (2013 - £2,263,000) and accelerated capital allowances of £1,464,000 (2013 - £715,000). The net deferred tax asset not recognised at the year end was £412,000 (2013 - £309,000).

CABANA RESTAURANTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

10 Tangible fixed assets

	Short leasehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost or valuation				
At 1 January 2014	4,227,860	131,883	912,539	5,272,282
Additions	2,158,997	116,072	617,459	2,892,528
At 31 December 2014	<u>6,386,857</u>	<u>247,955</u>	<u>1,529,998</u>	<u>8,164,810</u>
Depreciation				
At 1 January 2014	327,483	9,418	181,036	517,937
Charge for the year	302,327	41,387	216,671	560,385
At 31 December 2014	<u>629,810</u>	<u>50,805</u>	<u>397,707</u>	<u>1,078,322</u>
Net book value				
At 31 December 2014	<u>5,757,047</u>	<u>197,150</u>	<u>1,132,291</u>	<u>7,086,488</u>
At 31 December 2013	<u>3,900,377</u>	<u>122,465</u>	<u>731,503</u>	<u>4,754,345</u>

Leased assets

Included within the net book value of tangible fixed assets is £165,896 (2013 - £124,346) in respect of assets held under finance leases and hire purchase contracts. Depreciation for the year on these assets was £85,004 (2013 - £3,171).

CABANA RESTAURANTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

11 Stocks

	2014	2013
	£	£
Finished goods and goods for resale	105,899	59,148
Consumables	<u>99,917</u>	<u>79,814</u>
	<u><u>205,816</u></u>	<u><u>138,962</u></u>

12 Debtors

	2014	2013
	£	£
Trade debtors	26,141	12,537
Other debtors	210,734	284,850
Prepayments and accrued income	<u>355,973</u>	<u>219,792</u>
	<u><u>592,848</u></u>	<u><u>517,179</u></u>

Debtors includes £98,500 (2013 - £98,500) receivable after more than one year.

CABANA RESTAURANTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

13 Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	545,879	852,765
Bank loans and overdrafts	140,261	74,210
Obligations under finance lease and hire purchase contracts	87,165	51,181
Other taxes and social security	238,768	61,662
Other creditors	109,338	274,163
Accruals and deferred income	391,740	234,442
	<u>1,513,151</u>	<u>1,548,423</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	2014	2013
	£	£
Bank loan	140,261	74,210
Obligations under finance lease and hire purchase contracts	87,165	51,181
	<u>227,426</u>	<u>125,391</u>

The company's bank loan is secured by fixed and floating charges over the assets of the company.

Obligations under finance lease and hire purchase contracts are secured by fixed charges on the leased assets.

CABANA RESTAURANTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

14 Creditors: amounts falling due after more than one year

	2014	2013
	£	£
Bank loans and overdrafts	189,086	137,006
Obligations under finance lease and hire purchase contracts	55,449	62,789
Accruals and deferred income	270,780	163,442
	<u>515,315</u>	<u>363,237</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company:

	2014	2013
	£	£
Bank loan	189,086	137,006
Obligations under finance lease and hire purchase contracts	55,449	62,789
	<u>244,535</u>	<u>199,795</u>

The company's bank loan is secured by fixed and floating charges over the assets of the company.

Obligations under finance lease and hire purchase contracts are secured by fixed charges on the leased assets.

Obligations under finance leases and HP contracts

Amounts repayable:

	2014	2013
	£	£
In one year or less on demand	87,165	51,181
Between one and two years	55,449	62,789
	<u>142,614</u>	<u>113,970</u>

CABANA RESTAURANTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

15 Share capital

Allotted, called up and fully paid shares

	No.	2014 £	No.	2013 £
'A' Ordinary shares of £0.10 each	6,790,116	679,012	5,031,226	503,123
'B' Ordinary shares of £0.10 each	30	3	30	3
	<u>6,790,146</u>	<u>679,015</u>	<u>5,031,256</u>	<u>503,126</u>

New shares allotted

During the year 1,758,890 'A' Ordinary shares having an aggregate nominal value of £175,889 were allotted for an aggregate consideration of £3,215,931.

16 Share based payments

The company entered into equity settled share based payment arrangements with one employee and one director under an Enterprise Management Incentive scheme in the year ended 31 December 2013. The arrangements expire at most ten years and four years respectively after the date of grant. There is no vesting period. As at 31 December 2014 none of the options had been exercised or forfeited.

The options outstanding at 31 December 2014 had an exercise price of £1.20 (2013 - £1.20) and a weighted average remaining contractual life of 6 years (2013 - 7 years).

Further details of the share option plans are as follows:

	Number of options 2014 No.	Weighted average exercise price 2014 £	Number of options 2013 No.	Weighted average exercise price 2013 £
At 1 January 2014	78,333	1.20	-	-
Granted	-	-	78,333	1.20
Outstanding at 31 December 2014	78,333	1.20	78,333	1.20
Exercisable at 31 December 2014	<u>78,333</u>	<u>1.20</u>	<u>78,333</u>	<u>1.20</u>

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17 Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Loss attributable to the members of the company	(774,616)	(506,311)
New share capital subscribed	3,215,931	1,785,481
Net addition to shareholders' funds	2,441,315	1,279,170
Shareholders' funds at 1 January	3,782,179	2,503,009
Shareholders' funds at 31 December	<u>6,223,494</u>	<u>3,782,179</u>

18 Reserves

	Share premium account £	Profit and loss account £	Total £
At 1 January 2014	4,981,357	(1,702,305)	3,279,052
Loss for the year	-	(774,616)	(774,616)
Premium on issue of shares	3,040,043	-	3,040,043
At 31 December 2014	<u>8,021,400</u>	<u>(2,476,921)</u>	<u>5,544,479</u>

19 Commitments

Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £30,212 (2013 - £nil).

Operating lease commitments

As at 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014 £	2013 £
Land and buildings		
Over five years	<u>1,218,750</u>	<u>720,000</u>

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20 Analysis of net debt

	At 1 January 2014 £	Cash flow £	Other non-cash changes £	At 31 December 2014 £
Cash at bank and in hand	283,353	83,455	-	366,808
Debt due within one year	(74,210)	74,538	(140,589)	(140,261)
Debt due after more than one year	(137,006)	(192,669)	140,589	(189,086)
Finance leases and hire purchase contracts	(113,970)	98,852	(127,496)	(142,614)
Net debt	<u>(41,833)</u>	<u>64,176</u>	<u>(127,496)</u>	<u>(105,153)</u>

21 Post balance sheet events

During the post balance sheet period, 2,040,804 'A' Ordinary shares of £0.10 were allotted for an aggregate consideration of £4,999,996.

Additionally, the company secured finance of £500,000 in bank loans in order to assist with the continued growth of the business.

22 Related party transactions

During the year, Hush Brasseries Limited charged management fees of £107,424 (2013 - £67,356) and recharged costs of £4,805 (2013 - £1,472) to the company. At the balance sheet date the amount due to (2013 - from) Hush Brasseries Limited, a company under common influence, was £185 (2013 - £94).

During the year, Loliss Limited charged management fees of £50,000 (2013 - £40,000) and recharged costs of £4,626 (2013 - £nil) to the company. At the balance sheet date the amount due to Loliss Limited, a company under common influence, was £5,000 (2013 - £8,000).

The above transactions took place on an arm's length basis.