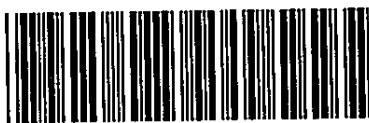


Survivor Group Holdings Limited
(formerly known as Intercede 2447 Limited)

Annual report

30 June 2013
Registered Number 08132379

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Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

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Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Turner (Chairman)
TE Cullum
G Grant
GS Hutton
M Mowlem
SJ Phillips
CD Poil

COMPANY SECRETARY

G Grant

REGISTERED OFFICE

3rd Floor, Clareville House
26-27 Oxendon Street
London SW1Y 4EL

BANKERS

Haymarket Financial LLP
86 Jermyn Street
London
SW1Y 6JD

Barclays Bank PLC
1 Churchill Place
London, E14 5HP

SOLICITORS

Kimbells Freeth LLP
Power House
Harrison Close
Knowlhill
Milton Keynes, MK5 8PA

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London, WC2N 6RH

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

REPORT OF THE DIRECTORS FOR THE PERIOD FROM 5 JULY 2012 to 30 JUNE 2013

The Directors submit their report and the audited financial statements for Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited) (the "Company") and its consolidated subsidiaries (collectively known as the "Group") for the period from 5 July 2012 to 30 June 2013

Registered number

The registered number of the Company is 08132379

Principal activities

The Company was incorporated on 5 July 2012. On 11 July 2012, the Company changed its name from Intercede 2447 Limited to Survivor Group Holdings Limited. The principal activity of the Company since incorporation is acting as a holding company. The principal activity of the Group is the management of bars and restaurants.

Review of business

These accounts refer to the period from incorporation on 5 July 2012 to 30 June 2013. The Group acquired Novus Leisure Limited and its subsidiary companies on 27 July 2012 and accordingly these accounts include 48 weeks of trading for the new group. The reported results for the period are significantly impacted by the accounting for this acquisition, with the Group's operating loss for the period of £29.8m reflecting exceptional costs of £30.9m (of which £31.6m were non cash costs).

The Group generated adjusted EBITDA of £8.4m in the 48 week trading period under review. The performance was impacted negatively by a number of factors:

- The 2012 London Olympics was expected to provide a significant sales and profit opportunity for the business, with the Group's advance sales and corporate booking expertise to the fore. Whilst the Olympics did provide some very significant sales gains, with a number of West End venues recording weekly sales numbers normally seen only at Christmas, these sales gains were insufficient to offset the sales shortfalls recorded in quieter City venues and the significant incremental costs incurred to ensure quality service delivery during the Olympics period.
- The Group has invested in 11 venues during the period, with a total investment (including closure costs and launch costs) of £6.1m. This level of investment, and the accompanying disruption, negatively impacted profitability in the third quarter of the financial year.
- Increasing competition which has impacted upon the Group's walk-in business.

The Directors have introduced a number of initiatives in order to restore the core business to sustainable EBITDA growth. These initiatives include:

- An increase in operator autonomy and accountability and an associated reduction in office headcount to ensure that Group resources are appropriately focused on ensuring the delivery of customer experience. The full year impact of these cost savings, which were delivered in the first quarter of the current year, is £1.7m.
- A strengthening of the operational management within the business to ensure that the focus on building venue teams committed to the delivery of an excellent customer experience is maintained for both our significant pre-booked business and our walk-in business.
- A programme of targeted capital investment which addresses both the opportunity to reposition and reformat venues and the requirement to maintain amenity levels in all our venues.
- The completion of the roll-out of a new Customer Relationship Management System ("CRM") and continued investment in the roll-out of new web-sites for all venues and the LateNightLondon booking portal. Phase one of the CRM roll-out was completed in August 2013, with new Tiger Tiger and LateNightLondon web-sites going live in the second quarter of the current financial year.

Sales for the period were £116.1m. Like for like sales, excluding venues that received capital investment, were negative 3.1%.

Gross margin over the period was 76.4%. This compares to 76.8% in the prior year and reflects the impact of reduced walk-in late night sales. The Group has negotiated a number of new supply contracts and the Group has seen the benefit of these over the first quarter of the current year, with gross margins improving 0.3% year on year.

Venue level EBITDA for the 47 venues in the estate at year end amounted to £19.6m.

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

REPORT OF THE DIRECTORS FOR THE PERIOD FROM 5 JULY 2012 to 30 JUNE 2013

continued

Review of business continued

Cash interest charges in the period amounted to £2.6m. Total net finance costs in the period were £10.3m and include non-cash elements in respect of shareholder loan notes, the PIK element of bank debt, and the amortisation of debt issuance costs.

Over the course of the period the Group has invested £8.6m in the development of its venues (£7.5m) and its digital platform (£1.1m). These investments have been funded from internal resources. In the course of the period the Group also disposed of three venues and closed a fourth venue as its lease was not renewed. The three venues disposed of generated gross disposal proceeds of £5.0m, this compares to a venue level EBITDA loss of £0.09m delivered by these three venues in the twelve months prior to their disposal. Subsequent to the year end the Group has partly utilised these disposal proceeds to prepay £3.0m of bank debt.

At period end the Group had net third party debt (defined as gross bank term debt and revolving facilities less positive cash balances) of £33.7m. This level of net debt represents 4.0x the group's adjusted EBITDA, a level of gearing that the Directors believe is appropriate.

Current Trade and future developments

The Group has delivered year on year EBITDA growth in the first quarter despite a number of sales led challenges, including some strong West End comparatives driven by the 2012 Olympics and the excellent summer weather which impacted trade in the group's typically indoor and often underground venues.

The Christmas period is a key trading period for the Group. Current indications are positive with food cover bookings and average spend metrics running ahead of the prior year.

Although trading conditions are likely to remain challenging through the remainder of the year the Directors remain optimistic that the initiatives put in place will enable the group to deliver profit growth.

Profitability and dividends

The loss for the period attributable to equity shareholders was £39.1m after charging net exceptional costs of £30.6m. There is no dividend paid or proposed.

Directors

The directors who held office during the period and up to the date of signing the financial statements were as follows:

G Turner (Chairman)	(appointed 5 November 2013)
TE Cullum	(appointed 28 June 2013)
G Grant	(appointed 18 April 2013)
GS Hutton	(appointed 27 July 2012)
M Mowlem	(appointed 5 November 2013)
SJ Phillips	(appointed 10 July 2012)
CD Poil	(appointed 27 March 2013)
ER Bellquist	(appointed 27 July 2012, resigned 3 April 2013)
A Campbell	(appointed 27 July 2012, resigned 18 April 2013)
JM Kelly	(appointed 27 July 2012, resigned 5 November 2013)
W Priestley	(appointed 10 July 2012, resigned 5 November 2013)
S Richards	(appointed 27 July 2012, resigned 28 June 2013)
W Yuill	(appointed 5 July 2012, resigned 10 July 2012)
Mitre Secretaries Limited	(appointed 5 July 2012, resigned 10 July 2012)
Mitre Directors Limited	(appointed 5 July 2012, resigned 10 July 2012)

Details of the remuneration of the Directors are set out in note 6.

Employment policy

The Group places considerable value on the involvement of its employees and keeps them informed of matters affecting them as employees and on various factors affecting the Group's performance through a weekly newsletter, an annual conference and regular ad hoc briefings throughout the period.

Applications for employment by disabled persons are fully and fairly considered having regard to the aptitudes and abilities of each applicant to perform the duties required by the job. Efforts are made to enable any employees who become disabled during employment to continue their careers with the Group. Training, career development and promotion of disabled persons is, as far as possible, identical to that of other employees who are not disabled.

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)
REPORT OF THE DIRECTORS FOR THE PERIOD FROM 5 JULY 2012 to 30 JUNE 2013
continued

Charitable and political donations

The Group has made £14,000 of charitable contributions to various charities including Kindness to Strangers (£4,000), and the Tawt Trust (£6,000) during the period

Going concern

The directors consider the company has adequate resources to continue in operational existence for the foreseeable future and at least the next 12 months from the date of signing these financial statements. On this basis the financial statements have been prepared on a going concern basis.

Principal risks and uncertainties

The board believes that the principal risks and uncertainties facing the Group in the coming period are as follows:

- Exposure to an economic downturn in the UK resulting in lower consumer expenditure
- Exposure to the euro crisis that further erodes consumer confidence, London visitor numbers and spending
- Increases to the rates of duty on alcohol, property rates, value added tax, personal and other business taxes
- Licensing and other regulatory changes, which could contribute to increases in the Group's cost base and / or a reduction in revenue
- Terrorism and threat of terrorism, particularly in light of the concentration of the Group's venues in central London
- Weather and the risk of snow during the key Christmas trading period
- Industrial action, such as transport strikes that prevent or discourage customers from travelling to the Group's venues in central London
- Debt, liquidity and revenue risks. The Group's debt financing exposes it to a variety of financial risks. These risks, and how they are mitigated, are as follows:
 - Interest rate risk is managed through capping the floating rate interest at 1.5%. At 30 June 2013 the Group held an interest rate cap on £25.0m of debt. The cap is in place until 2015.
 - Currency risk. The Group operates within the United Kingdom and substantially all transactions are denominated in sterling so there is no currency risk.
 - Credit risk. The Group's revenues are predominantly cash and credit card with minimal trade debtors so there is minimal credit risk.
 - Price risk. The Group is not exposed to equity security price risk or commodity price risk.
 - Liquidity risk is managed through an assessment of short, medium and long-term cash flow forecasts to ensure the adequacy of committed debt facilities. Short-term liquidity risk is managed through revolving credit facilities and short-term deposits.

Key Performance Indicators

The Group manages its performance through the monitoring of a number of financial measures, including but not exclusively, sales, gross profit margin and Adjusted EBITDA. The Group's management are incentivised on a combination of these financial measures and other operational performance measures, such as health and safety compliance.

The performance of these measures is shown below:

	48 week period FY13	Calculation method	Commentary
Same Venue Revenue Growth %	-3.1%	Total revenue in current period divided by total revenue generated by the same venues in prior period. Excludes venues benefitting from capital investment.	See Business Review
Trading Gross Profit %	76.4%	Gross profit divided by total revenue	See Business Review
Adjusted EBITDA	£8.4m	Profit before tax, interest, depreciation, amortisation and exceptional costs	See Business Review

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)
REPORT OF THE DIRECTORS FOR THE PERIOD FROM 5 JULY 2012 to 30 JUNE 2013
continued

Reconciliation of operating loss to Adjusted EBITDA

	2013 £000
Operating loss	(29,807)
Exceptional costs (note 4)	30,576
Amortisation of intangible assets	674
Depreciation	6,908
Lease premium amortisation	46
Adjusted EBITDA	8,397

Statement of Directors' responsibilities

The directors are responsible for preparing the report of the directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company and the group 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 the Group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

For all persons who are directors at the time of the Annual Report

- a) so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- b) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

On behalf of the Board on 28 November 2013



Gregor Grant
Director

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

Period from 5 July 2012 to 30 June 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SURVIVOR GROUP HOLDINGS LIMITED (FORMERLY KNOWN AS INTERCEDE 2447 LIMITED)

We have audited the group and parent company financial statements (the "financial statements") of Survivor Group Holdings Limited for the period 5 July 2012 to 30 June 2013 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and the related notes. 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 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 group's and parent 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 of the Directors and accounts 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 group's and of the parent company's affairs as at 30 June 2013 and of the group's loss and group's and parent company's cash flows for the period then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements 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 Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.



Alison Lees (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 November 2013

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 5
JULY 2012 TO 30 JUNE 2013

	Note	Period ended 30 June 2013 £000
Revenue	2	116,053
Cost of sales		(27,429)
Gross profit		88,624
Administrative expenses	3	(118,431)
Administrative expenses – exceptional	4	(30,576)
Administrative expenses – other		(87,855)
Operating loss	3	(29,807)
Finance income	7	26
Finance cost	7	(10,294)
Loss on ordinary activities before taxation		(40,075)
Taxation	8	941
Loss for the period attributable to equity owners and total comprehensive income		(39,134)

The results above are all in respect of continuing operations

The Group has no other recognised gains and losses other than the results of the period as set out above

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own Statement of Comprehensive Income. The profit after tax for the parent company for the period was £271,000

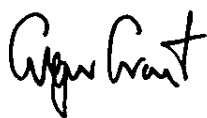
The notes on pages 13 to 31 form part of these financial statements

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)
CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2013

	Note	2013 £000
ASSETS		
Non-current assets		
Goodwill	9	29,326
Other intangible assets	10	3,901
Property plant and equipment	11	40,580
Other non-current assets	13	1,020
		74,827
Current assets		
Inventories	14	961
Trade and other receivables	15	6,642
Cash and cash equivalents	16	7,286
		14,889
Total assets		89,716
LIABILITIES		
Current liabilities		
Borrowings	18	(3,000)
Corporation tax	20	(284)
Trade and other payables	17	(15,053)
Provisions	19	(464)
		(18,801)
Non-current liabilities		
Borrowings	18	(99,725)
Provisions	19	(1,398)
Deferred tax	21	-
Trade and other payables	17	(6,013)
		(107,136)
Total liabilities		(125,937)
Net liabilities		(36,221)
Equity		
Share capital	22	643
Share premium	23	2,270
Retained earnings		(39,134)
Total equity		(36,221)

The notes on pages 13 to 31 form part of these financial statements

The financial statements on pages 7 to 31 approved by the board of directors and authorised for issue on 28 November 2013, are signed on its behalf by



G Grant
Director

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)
COMPANY BALANCE SHEET AS AT 30 JUNE 2013

	Note	2013 £000
ASSETS		
Non-current assets		
Investment in subsidiaries	12	-
Other receivables	15	3,184
		3,184
Total assets		3,184
Equity		
Share capital	22	643
Share premium	23	2,270
Retained earnings		271
Total equity		3,184

The notes on pages 13 to 31 form part of these financial statements

The financial statements on pages 7 to 31 approved by the board of directors and authorised for issue on 28 November 2013, are signed on its behalf by



G Grant
Director

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)
CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE
PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013

	Share Capital £000	Share Premium £000	Retained earnings £000	Total equity £000
Group:				
At 5 July 2012	-	-	-	-
Issued in the period	643	2,270	-	2,913
Loss for the period and total comprehensive income	-	-	(39,134)	(39,134)
Carried forward at 30 June 2013	643	2,270	(39,134)	(36,221)

Company:				
At 5 July 2012	-	-	-	-
Issued in the period	643	2,270	-	2,913
Profit for the period and total comprehensive income	-	-	271	271
Carried forward at 30 June 2013	643	2,270	271	3,184

The notes on pages 13 to 31 form part of these financial statements

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 5 JULY 2012
TO 30 JUNE 2013

	Notes	Period ended 30 June 2013 £000
Cash flows from operating activities		
Cash generated from operations	28	2,222
Net interest paid		(1,483)
Taxation paid		(942)
Net cash outflow from operating activities		(203)
Cash flows from investing activities		
Purchase of property, plant, equipment and intangibles		(8,429)
Business combination net of cash acquired	29	(14,396)
Disposal of property, plant, equipment and intangibles		4,730
Net cash outflow from investing activities		(18,095)
Cash flows from financing activities		
Issue of share capital		2,913
Issue of loan notes		65,500
Draw down of bank term loans net of borrowing costs		33,824
Draw down of bank revolver loans		3,000
Repayment of acquired bank loans		(79,174)
Repayment of acquired loan notes		(120)
Repayment of new loan notes		(359)
Net cash inflow from financing activities		25,584
Net increase in cash and cash equivalents		7,286
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period		7,286

The notes on pages 13 to 31 form part of these financial statements

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)
COMPANY STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013

**Period ended
30 June 2013
£000**

Cash flows from financing activities

Issue of share capital	2,913
Issue of intercompany loans	(2,913)

-

Net increase in cash and cash equivalents	-
Cash and cash equivalents at beginning of period	-

Cash and cash equivalents at end of period	-
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The notes on pages 13 to 31 form part of these financial statements

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below

BASIS OF PREPARATION

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited) is a company limited by shares, incorporated and domiciled in the UK

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Interpretations Committee (IFRIC) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Group has complied with those IFRSs or IFRIC interpretations where the implementation date is relevant to the financial period ended 30 June 2013. No IFRSs or IFRIC interpretations have been adopted early. Unless otherwise stated the financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. In the directors' opinion the significant estimates are taxation and determining the fair values of non-current assets for impairment assessments, which rely on estimates of discounted future cash flows.

The financial statements are for the period from 5 July 2012 to 30 June 2013. This is the Company's first accounting period thus there are no comparatives.

GOING CONCERN

The financial statements have been prepared on the assumption that the company and the group are going concerns despite the existence of net current liabilities and net liabilities at the period end. The directors have reviewed the cash projections and funding requirements of the Group over the next twelve months and believe that the Group can operate within all the terms of these facilities. Accordingly they believe the going concern assumption to be an appropriate basis for the financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. Control is normally evidenced when the Company either directly or indirectly owns more than 50% of the voting rights or potential voting rights of a company's share capital.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

BUSINESS COMBINATIONS

Under the requirements of IFRS 3, all business combinations are accounted for using the purchase method ("acquisition accounting"). The cost of a business combination is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer.

On acquisition of a subsidiary or trade and assets of a business, the assets, liabilities and contingent liabilities are measured at their fair value at that date. Any excess of the cost of acquisition over the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the Consolidated Statement of Comprehensive Income in the period of acquisition.

The results attributable to subsidiaries or to the trade and assets of business acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal.

SEGMENTAL REPORTING

The Group has only one business and geographic segment, being the UK, as no regions of the UK or subsets of the business expose the Group to differentiated risks and returns.

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30
JUNE 2013 CONTINUED

1. ACCOUNTING POLICIES CONTINUED

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts recoverable by the Group for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes

(a) Sale of goods

Sales of goods are recognised when the goods are provided and the title has passed

(b) Admission and services revenue

Admission revenue is recognised when the service is provided

EMPLOYEE BENEFITS

Retirement benefit costs

Payments made to defined contribution retirement schemes are charged as an expense when they fall due. The Group has no defined benefit or other retirement benefit schemes

LEASING

Rentals payable under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the relevant lease

Benefits received and receivable as an incentive to enter into an operating lease are included within accruals and creditors and recognised in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term

Lease premiums paid are included in other non-current assets and amortised over the period of the lease

EXCEPTIONAL ITEMS

Exceptional items comprise items of income and expense that are material in amount and unlikely to recur and which merit separate disclosure in order to provide an understanding of the Group's underlying financial performance. Examples of events giving rise to the disclosure of material items of income and expense as exceptional items include, but are not limited to, impairment events, acquisition or disposal of operations or individual assets, litigation claims and the restructuring of components of the Group's operations

INTEREST INCOME

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount

BORROWING COSTS

Borrowing costs directly attributable to the acquisition or production of assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are dealt with within the Consolidated Statement of Comprehensive Income in the period in which they are incurred

TAXATION

The tax expense represents the sum of the current tax and deferred tax expense

The current tax is based on the taxable profit for the period. Taxable profit differs from profit before tax as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

Where taxation computations submitted to the taxation authorities are yet to be agreed, the Group's estimate of tax liabilities reflects the uncertainty as to the amount of tax that may ultimately be payable

Deferred tax is the tax accounted for in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the recognition of goodwill or the initial recognition

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30
JUNE 2013 CONTINUED

1. ACCOUNTING POLICIES CONTINUED

TAXATION CONTINUED

(other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

IAS 12, *Income Taxes*, requires that the measurement of deferred tax should have regard to the tax consequences that would follow from the manner of expected recovery or settlement, at the balance sheet date, of the carrying amount of its assets and liabilities. In calculating its deferred tax liability the Group's policy is to regard the depreciable amount of the carrying value of its property, plant and equipment to be recovered through continuing use in the business, unless included within assets held for sale where the policy is to regard the carrying amount as being recoverable through sale.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax legislation currently enacted or substantially enacted. Deferred tax is charged or credited to the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred income tax assets, including on tax losses, 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.

GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets and liabilities of the acquired business at the date of acquisition. Goodwill is recognised as an asset and is reviewed for impairment at least annually, with goodwill allocated to cash generating units for the purpose of impairment testing. Any impairment is recognised immediately in the Consolidated Statement of Comprehensive Income and is not subsequently reversed. On the disposal of a subsidiary or cash generating unit, the attributable amount of goodwill is included in the determination of profit and loss on disposal.

OTHER INTANGIBLE ASSETS

Acquired trademarks and licenses are included at purchase cost and amortised over their finite useful economic lives on a straight-line basis.

"Digital project" comprises costs of developing systems for content management, customer relationship management and customer bookings. The costs are amortised over 3 years from the date the systems are operational.

Intangibles acquired separately and through business combinations, i.e. licences and other intangible assets, where material, are included at cost or fair value respectively and amortised over their useful economic lives, being the shorter of the term of the lease to which they are attached or the licence.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, the Company can demonstrate all of the following:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- b) its intention to complete the intangible asset and use or sell it,
- c) its ability to use or sell the intangible asset,
- d) how the intangible asset will generate probable future economic benefits,
- e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
- f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30
JUNE 2013 CONTINUED

1. ACCOUNTING POLICIES CONTINUED

PROPERTY, PLANT AND EQUIPMENT

All classes of property, plant and equipment are stated at cost, net of depreciation and any recognised impairment losses. Cost includes other directly attributable costs, for example professional fees, and, for qualifying assets and borrowing costs capitalised. Depreciation is not charged during the period of construction, and commences when the assets are ready for their intended use.

Depreciation is calculated to write down the cost or valuation, less estimated residual value of all assets by equal annual instalments over their estimated useful lives.

The periods generally applicable are:

- Leasehold improvements – over the period of the lease
- Other fixtures and fittings and office equipment – between two and ten years

The assets' residual value and useful economic lives are reviewed and adjusted, if appropriate, at each balance sheet date. Changes are dealt with prospectively.

An assessment is made at each reporting date if there is any indication that an asset may be impaired. If any indications are deemed to exist, the relevant assets are tested for impairment. Any impairment is determined as the difference between the higher of value-in-use, calculated by discounting an estimate of future cash flows by the Group's pre-tax weighted average cost of capital, and fair value less costs to sell, compared to the carrying value of the relevant asset. Fair value less cost to sell is estimated by qualified surveyors and valuers and by applying the knowledge and experience of management, together with external market indicators. If the recoverable amount is less than the carrying value of the asset then the carrying value is reduced to recoverable amount, and the resulting impairment charge is recognised in the Consolidated Statement of Comprehensive Income.

INVENTORIES

Goods held for resale comprise food and drink and are stated at the lower of cost and net realisable value. Cost is calculated using the first in, first out method.

PROVISIONS

Provisions for onerous lease commitments or dilapidation costs, public liability insurance claims and other items are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of economic benefits will be required to settle the obligation and the amount can be measured reliably.

SHARE CAPITAL

Ordinary shares are classed as equity. Incremental costs directly attributable to the issue of new shares or options are shown as a deduction, net of tax, from the proceeds.

FINANCIAL INSTRUMENTS

Within the financial statements, the Group has applied IAS32, *Financial Instruments: Disclosure and Presentation*, and IAS 39, *Financial Instruments: Recognition and Measurement*, IFRS 7, *Financial Instruments: Disclosure* and the complementary amendment to IAS1, *Presentation of Financial Statements – Capital disclosures*. Financial Instruments are disclosed in note 24.

Financial assets and liabilities – measurement basis

Financial assets and liabilities are recognised on the date on which the Group becomes a party to the contractual provisions of the instrument giving rise to the asset or liability. Financial assets and liabilities are initially recognised at fair value net of transaction costs. Any impairment of a financial asset is charged to the Consolidated Statement of Comprehensive Income when incurred. Financial assets are derecognised when the Group's rights to cash inflows from the asset expire, financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

Financial assets are classified according to the purpose for which the asset was acquired. The Group's financial assets are classified as either:

- **"trade and other receivables"** – these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides goods or services directly to a debtor, or advances money, with no intention of trading the loan or receivable. Subsequent to initial recognition loans and receivables are included in the Balance Sheet at amortised cost using the effective interest method less any amounts written off to reflect impairment, with changes in carrying amount.

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30
JUNE 2013 CONTINUED

1. ACCOUNTING POLICIES CONTINUED

FINANCIAL INSTRUMENTS CONTINUED

recognised in the Comprehensive Statement of Comprehensive Income This category includes trade receivables and other debtors which do not carry any interest

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired The amount of the provisions is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Consolidated Statement of Comprehensive Income within "administration costs" When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables

- **"cash and cash equivalents"** – these comprise deposits with an original maturity of three months or less with banks and financial institutions, bank balances, and cash on hand

The Group's financial liabilities are classified as either 'current' or 'non-current' These are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market They arise when the Group receives goods or services directly from a creditor or supplier, or borrows money, with no intention of trading the liability This category includes

- **trade and other payables** – these are typically non-interest bearing and following initial recognition are included in the Statement of Financial Position at amortised cost
- **bank loans and overdrafts** – these are initially recorded at fair value based on proceeds received, net of issue costs incurred Finance charges are accounted for on an accruals basis and charged to the Consolidated Statement of Comprehensive Income using the effective interest rate method

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged Certain derivative instruments do not qualify for hedge accounting Changes in the fair value of any of these derivative instruments are presented in the Statement of Comprehensive Income within finance costs in the period in which they arise

NEW AND AMENDED STANDARDS

Standards, amendments and interpretations effective in the current period, but not relevant to the Group or the Company

- Amendment to IAS 12 'Income taxes' on deferred tax
- Amendment to IAS 1 'Presentation of financial statements on other comprehensive income'

Standards and interpretations which are not yet effective and have not been early adopted by the Group or the Company

- Amendment to IAS 19 'Employee benefits'
- Amendment to IFRS 1 'First time adoption' on government loans
- Amendment to IFRS 7 'Financial instruments Disclosures', on asset and liability offsetting
- Annual improvements 2011
- IFRS 10 'Consolidated financial statements'
- IFRS 11 'Joint arrangements'
- IFRS 12 'Disclosures of interest in other entities'
- IFRS 13 'Fair value measurement'
- IAS 27 'Separate financial statements'
- IAS 28 'Associates and joint ventures'
- IFRIC 20 'Stripping costs in the production phase of a surface mine'

The above standards and interpretations are not expected to have a significant impact on the Group or the Company's results or financial position

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued

2. Segmental Analysis

The business operates in one segment, operation of bars and restaurants in the United Kingdom

3. Operating loss

	Period ended 30 June 2013 £000
<hr/> Loss for the period is stated after charging/(crediting)	
Auditors remuneration	
- Audit services – Company	2
- Audit services – Consolidation	10
- Audit services – Subsidiary Undertakings	66
- other services	167
Employee benefit expense (see note 5)	503
Operating lease rentals of land and buildings	14,161
Depreciation of property, plant and equipment	6,908
Amortisation of intangible assets	674
Amortisation of lease premium	46
Impairment of goodwill	32,063
Profit on sale of property, plant and equipment	(3,346)

4. Exceptional costs

Operating loss is arrived at after charging the following exceptional costs

	Period ended 30 June 2013 £000
<hr/> Administrative Expenses	
Acquisition related fees	1,279
Reorganisation and redundancy costs	887
Aborted acquisition fees	146
Impairment of goodwill	32,063
Gain from exchanging loan note liabilities for deferred shares	(453)
Profit and loss on disposal of property, plant and equipment	(3,346)
	<hr/> 30,576 <hr/>

The acquisition related fees arise from the acquisition of Novus Leisure Limited and the associated advisory costs
The costs are legal and professional fees relating to the acquisition

The reorganisation and redundancy costs in the current period relate to the costs of appointing new Directors and senior management and the exit costs relating to the previous incumbents

Details of the impairment of goodwill can be found in note 9

During the period under review the Group sold certain properties generating a net profit after related costs of £3,346,000

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued****5. Employees**

The monthly average number of persons employed by the Group (including Executive Directors) during the period was as follows

	Period ended 30 June 2013 Number
Administration and marketing	100
Operations	1,882
	1,982
	£000
Employee costs charged during the period were as follows	
Wages and salaries	30,538
Social security costs	2,441
Other pension costs	503
	33,482

The Group operates a defined contribution personal pension scheme. The charge for the period represents those contributions payable to this scheme and other personal pension schemes. At the year end contributions of £59,000 were outstanding.

6. Directors' remuneration

	Period ended 30 June 2013 £000
Directors' emoluments	
Aggregate emoluments*	1,247
Company contributions to money purchase pension schemes	33
	1,280

The amounts set out above include remuneration of the highest paid director as follows

	Period ended 30 June 2013 £000
Aggregate emoluments	685
Company contributions to money purchase pension schemes	10
	695

*Two Directors received a total of £525,000 compensation for loss of office (including notice period) which is included within aggregate emoluments.

During the period four directors participated in a defined contribution scheme.

The directors are considered to be the only key management personnel of the business.

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued

7. Net finance cost

	Period ended 30 June 2013 £000
Interest payable on bank borrowings	3,490
Amortisation of issue costs	683
Total finance costs – bank borrowings	4,173
Interest payable on loan notes	6,068
Total finance costs - borrowings	10,241
Unwinding of discount element of provisions	53
Total finance costs	10,294
Finance income	(26)
Net finance cost	10,268

8. Taxation

	Period ended 30 June 2013 £000
Analysis of credit in the period	
Current tax charge	-
Deferred tax credit	941
Tax credit on loss	941

The total tax credit for the current year is different to the standard rate of tax in the UK of 23.8%. The differences are explained below

	Period ended 30 June 2013 £000
Loss on ordinary activities before tax	40,075
At the standard rate of UK tax	9,538
Effects of	
Permanent differences	(7,656)
Lower capital allowances claimed	(944)
Unutilised tax losses carried forward	(28)
Effect of changes in tax rate	31
Tax credit on loss	941

The future tax charge will be principally affected by the level of on-going capital expenditure and related capital allowances together with any change in the corporate tax rate

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued

9. Goodwill

	Goodwill arising on acquisition £000
Group:	
Cost:	
At 5 July 2012	-
Acquired	61,389
At 30 June 2013	61,389
Cumulative impairment losses:	
At 5 July 2012	-
Impairment	32,063
At 30 June 2013	32,063
Net Book Value:	
At 30 June 2013	29,326

All of the Group's goodwill arose on the acquisition of Novus Leisure Limited on 27 July 2012 (see note 29). A Cash Generating Unit ("CGU") is deemed to be an individual operating venue, as each venue generates profits and cash flows that are largely independent from other venues. Where multiple CGUs are acquired as part of a single business combination, the goodwill arising from the business combination is not attributed to individual CGUs but is grouped together. Accordingly, CGUs have been grouped together for the purpose of the annual impairment review of goodwill.

Impairment of goodwill

For the purposes of its annual impairment review for 30 June 2013, the Group compared the carrying value of a CGU with the recoverable value, which is measured using the value in use ("VIU") basis.

The Group estimated the VIU of its CGUs using a discounted cash flow model which adjusts the cash flows for risks associated with the assets and are discounted using a pre-tax rate of 10.0%. The VIU calculations do not include the anticipated future benefits arising from any future asset enhancement expenditure, nor the related capital expenditure, as this is not permitted by IAS36. Management performed the annual impairment review, as required by IAS 36, at 30 June 2013 and have identified an impairment of £32,063,000.

Key assumptions

The key assumptions used in the discounted cash flow for 30 June 2013 were the following:

- Sales and EBITDA – based on board approved budgets for the first year
- Future growth rate – 2.5% for years 2 to 5 and nil thereafter
- Discount rate – 10.0%

Budget and forecast EBITDA is based on past experience adjusted to take account of the impact of expected changes to each CGU, sales prices and volumes, capital expenditure, business mix and margin.

Sensitivity to changes in assumptions

The calculation is most sensitive to changes in the assumptions used for budgeted cash flow, pre-tax discount rate and growth rate. Management considers that reasonable possible changes in assumptions would be an increase in discount of 1% point or a reduction in growth rate of 1% point. As an indication of sensitivity, when applied to the value-in-use calculation a 1% point increase in discount rate would have resulted in an additional impairment of goodwill in the period of £4,435,000. A 1% point reduction in growth rate would have resulted in an additional impairment of goodwill in the period of £1,929,000.

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued

10. Other intangible fixed assets

Group:	Digital project £000	Licence Rights £000	Other £000	Total £000
Cost				
At 5 July 2012	-	-	-	-
Acquired	317	3,161	6	3,484
Additions	1,091	-	-	1,091
At 30 June 2013	1,408	3,161	6	4,575
Accumulated amortisation				
At 5 July 2012	-	-	-	-
Charge for the period	267	406	1	674
At 30 June 2013	267	406	1	674
Net book value				
At 30 June 2013	1,141	2,755	5	3,901

Digital platform comprises costs of developing systems for content management, customer relationship management and customer bookings. The costs are amortised over 3 years from the date the systems are operational.

Licence rights comprise the asset acquired when the Group purchases an existing venue and continues the existing trade. Licence rights are amortised over periods of between 5 and 20 years being the shorter of length of licence or remaining lease period. Other intangible assets comprise trademarks which are amortised over a period of between 5 and 20 years being the remaining lease period of the applicable venue.

Amortisation charges for the period presented have been charged through administrative expenses.

11. Property, plant and equipment

Group:	Leasehold Improvements £000	Fixtures and fittings £000	Office equipment £000	Total £000
Cost:				
At 5 July 2012	-	-	-	-
Acquired	29,197	9,945	2,234	41,376
Additions	95	6,299	1,102	7,496
Disposals	(955)	(1,684)	(300)	(2,939)
At 30 June 2013	28,337	14,560	3,036	45,933
Accumulated Depreciation:				
At 5 July 2012	-	-	-	-
Charge for the period	2,195	3,948	765	6,908
Disposals	(34)	(1,317)	(204)	(1,555)
At 30 June 2013	2,161	2,631	561	5,353
Net book value:				
At 30 June 2013	26,176	11,929	2,475	40,580

There are no assets held under finance leases.

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued

12. Investment in subsidiaries

On 11 July 2012, The Company purchased the entire issued share capital of 1 £1 ordinary share of Survivor Group Limited for a cash consideration of £1

Survivor Group Limited is an intermediate holding company incorporated in England and Wales which owns the entire issued share capital of Survivor Limited. Survivor Limited is also an intermediate holding company incorporated in England and Wales

On the 27 July 2012 Survivor Limited purchased the entire issued share capital of Novus Leisure Limited

Novus Leisure Limited is a holding company incorporated in England and Wales. The company held investments in the following undertakings

Name of Company	Country of incorporation and operation	Activity	Ordinary share capital directly owned by the Company
A3D2 Limited	England and Wales	Bar operator	100%
Trocadero No 2 Limited	England and Wales	Dormant	Directly 29.5% (Indirectly 100%)
Trocadero Holdings Limited	England and Wales	Dormant	100%

In addition, Trocadero Holdings Limited owns the following subsidiary undertakings

London Pavilion II Limited, Trocadero Leisure Limited, Trocadero London Limited, Novus Bar Limited, Late Night London Limited, Tiger Tiger Limited, Trocadero Management Services Limited and Trocadero No 2 Limited (70.5%)

A3D2 Limited owns the entire issued share capital of Langley Hotels Limited

All undertakings owned by Trocadero Holdings Limited and A3D2 Limited are incorporated in England and are dormant

During the period under review, Survivor Group Limited issued 452,529 of £1 Deferred shares at par. The Deferred shares carry no voting rights, have no rights to a distribution of income and a right to a capital distribution up to the nominal value of the Deferred shares after the Ordinary shareholders receive an aggregate sum of £10,000,000,000

13. Other non-current assets

	Group 2013 £000
Lease premium	516
Rent deposits	504
Total	1,020

The Company has no non-current assets other than those detailed in note 15

14. Inventories

	Group 2013 £000
Group:	
Goods held for resale	961

The Company holds no inventories

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued

15. Trade and other receivables

Amounts included within current assets

	Group 2013 £000	Company 2013 £000
Trade receivables	1,014	-
Other debtors	1,061	-
Prepayments	4,567	-
Total	6,642	-

Amounts included within non-current assets

Amounts due from subsidiary undertaking	-	3,184
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Other debtors of the Group include a refund of £800,000 relating to the purchase of Novus Leisure Limited (see note 29)

The Company provided a loan of £2,913,000 to Survivor Group Limited which was subject to interest at 10%. The interest is capitalised annually. At 30 June 2013, £3,184,000 was outstanding of which £271,000 is interest. The loan is repayable on 31 January 2019.

16. Cash equivalents

	Group 2013 £000	Company 2013 £000
Cash at bank and in hand	7,286	-

Included in the cash at bank and in hand of the Group is £4,772,000 which can only be used for either acquiring new assets or term loan repayments.

17. Trade and other payables

	Group 2013 £000
Trade payables	5,668
Social security and other taxes	2,588
Accruals and other payables	6,797
Total current trade and other payables	15,053
Loan note interest (note 18)	6,013
Total non-current trade and other payables	6,013
Total trade and other payables	21,066

The carrying values of trade payables are not materially different to their fair values.

The Company has no trade and other payables.

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued

18. Borrowings

On 27 July 2012, The Group acquired bank loans of £79,174,000 and loan notes of £120,000

Immediately on acquisition the Group settled and cancelled all amounts outstanding

On 27 July 2012, the Group entered into a new £42,500,000 bank loan facility which provided £37,500,000 of term loans and £5,000,000 of revolver loans. The facility agreement was subsequently amended to replace the £5,000,000 revolver with a £3,000,000 revolver facility and £2,000,000 overdraft. The Group incurred £3,676,000 of issue costs to set up the facility which is carried on the balance sheet. During the period under review the Group charged £683,000 of the issue costs to the income statement. The loans are repayable on 26 July 2017.

On 27 July 2012, the Group drew down the term loans of £37,500,000. The loans are subject to interest of LIBOR plus a cash pay margin of 5.5% and an additional 2.5% margin which is added to the principal loan ("capitalised") when the interest period is set. The interest period can be set for one, three or six months. LIBOR has a floor of 1.25%. During the period under review the Company charged the income statement interest of £3,490,000 of which £475,000 was capitalised and a further £400,000 will be capitalised in due course. The bank loans are secured via a floating charge over all the Group's assets.

In addition the Group issued £65,500,000 of loan notes. The loan notes are subject to 10.0% interest which is capitalised annually. The loan notes are repayable on 31 January 2019. During the period under review the Group repaid £359,000 of loan notes issued £453,000 of deferred shares in a subsidiary company to satisfy £453,000 of loan notes and interest liabilities.

Details of the borrowings outstanding at 30 June 2013 are as follows

	Group 2013 £000
Amounts falling due within one year	
Revolver loans	3,000
Current liabilities	3,000
Amounts falling due after more than one year	
Term loans	37,975
Issue costs deferred	(2,993)
Total bank borrowings	34,982
Loan notes	64,743
Non-current liabilities	99,725
Total borrowings	102,725

The Group manages its interest rate exposure through the use of interest rate caps (note 24) for details. At 30 June 2013, the Group had an undrawn overdraft facility of £2,000,000.

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued****19. Provisions**

Group	£000
At 5 July 2012	-
Acquired	2,530
Unwinding of discount element of provisions	53
Refund of rent deposit	(186)
Amount credited to the Statement of Comprehensive Income	(535)
At 30 June 2013	1,862

Provisions at 30 June 2013 have been analysed between current and non-current as follows

	£000
Current	464
Non-current	1,398
	1,862

Provisions of £129,000 relates to dilapidations provisions. They have not been discounted since the effect of discounting would not be material. A further £1,733,000 of onerous lease provisions is outstanding at 30 June 2013.

The Company has no provisions.

20. Corporation tax

Group:	2013 £000
At 5 July 2012	-
Acquired	1,226
Settled in the period	(942)
At 30 June 2013	284

21. Deferred tax liability

Group:	2013 £000
At 5 July 2012	-
Acquired	941
Credit to Statement of Comprehensive Income (note 8)	(941)
At 30 June 2013	-

Deferred tax assets have been recognised only to the extent that the Company has deferred tax assets to cover any deferred tax liabilities. The Group has an unrecognised deferred tax asset of £911,000 made up of capital allowances.

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued

22. Share capital

Group and Company	2013 Number	2013 £000
Issued, called up and fully paid		
£0 20 'A' Ordinary shares	1,182,252	236
£0 20 'B' Ordinary shares	1,182,252	236
£0 20 'C' Ordinary shares	33,546	7
£0 20 'D' Ordinary shares	213,000	43
£0 50 'E' Ordinary shares	75,000	38
£1 00 'F' Ordinary shares	46,950	47
£0 20 'G' Ordinary shares	180,000	36
	2,913,000	643

2,913,000 shares were issued in the period for a cash consideration of £1 per share. All shares issued have been paid up in full in the period.

Income and capital distributions will be distributed pro rata in relation to the number of shares held by each shareholder.

'G' Ordinary shares carry no voting rights. 'A' and 'B' Ordinary shares carry 39.41% of the voting rights each split pro rata across each share in the class. 'D', 'E' and 'F' Ordinary shares carry 5% of the voting rights each split pro rata across each share in the class. 'C' Ordinary shares carry the balance of the voting rights after each class of shares.

23. Share Premium

Share premium represents the excess of proceeds received over the nominal value of new shares issued. During the period under review the Company issued 2,913,000 shares for a cash consideration of £1 per share. This generated a share premium of £2,270,000.

24. Financial instruments

Due to the predominantly cash-based nature of the Group's operations, the only financial instruments that materially expose the Group to any of the financial risks detailed in the notes below are debt financing and the disclosures that follow relate principally to these items.

The Group uses derivative financial instruments in order to reduce its exposure to interest rate risk. The use of such financial instruments constitutes an integral part of the Group's funding strategy. The Group manages its derivative financial instrument credit risk by only undertaking transactions with relationship banks holding good credit ratings. Such transactions are governed by Board policies and procedures.

(a) Interest rate exposure of financial liabilities

The Group has term loans of £37,975,000 with floating rate interest payable in the range LIBOR plus a cash pay margin of 5.5% and 2.5% margin which is capitalised when the interest period is set. The interest period can be set for one, three or six months. LIBOR has a floor of 1.25%. All facilities expire on 26 July 2017.

The Group has purchased a cap from which caps LIBOR at 1.5% for £25,000,000 of the term loans. The cap is in place until 2015.

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued

24. Financial Instruments continued

(b) Maturity analysis of financial liabilities

The maturity profile of the Group's financial liabilities was as follows

	Loan notes £000	Bank borrowings £000	Deferred issue costs £000	Trade payables £000	Total £000
Within one year or on demand	-	3,000	-	5,668	8,668
Between two and five years	-	37,975	(2,993)	-	34,982
Over five years	64,743	-	-	-	64,743
At 30 June 2013	64,743	40,975	(2,993)	5,668	108,393

(c) Fair values of financial assets and liabilities

	30 June 2013	
	Book value £000	Fair value £000
Primary financial instruments held or issued to finance the group operations		
Short-term financial liabilities (i)	3,000	3,000
Long-term borrowings (i)	99,725	99,725
Cash at bank and in hand (ii)	(7,286)	(7,286)

The fair value of other financial assets and liabilities approximate their carrying value

- (i) Drawings made under the Group's fixed and floating rate facilities, where fair value approximates to book value
- (ii) Cash at bank, including short-term deposits all deposits made are for short durations (less than one month), therefore, given the short maturity periods, there is no significant difference between the book value and fair value of these deposits

(d) Hedges on future transactions

The Group's policy is to manage interest rate risk by using interest rate caps. These interest rate caps do not qualify for hedge accounting under IAS 39, therefore, the cost of the cap is charged to the Consolidated Statement of Comprehensive Income.

(e) Financial instruments held for trading purposes

The Group does not trade in financial instruments.

(f) Capital Risk Management

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the leverage ratio. This ratio is calculated as net debt divided by adjusted EBITDA as discussed in the report of the directors. Net debt is calculated as gross bank term loans and drawn revolving loans shown in the balance sheet less cash and cash equivalents.

Survivor Group Holdings Limited (formerly known as Intercede 2447 Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued

24. Financial Instruments continued

(f) Capital Risk Management continued

The leverage ratio is as follows

	As at 30 June 2013 £000
Gross term loans (note 18)	37,975
Revolver loans (note 18)	3,000
Less cash and cash equivalents (note 16)	(7,286)
Net debt	33,689
Adjusted EBITDA	8,397
Leverage	4.0x

(g) Financial Assets available for resale

The group has no financial assets available for resale

(h) Credit quality of financial assets

The trade receivables balances represent deposits to be paid from a large number of individual customers for future events. Provisions made for impairment of the debt are not material.

(i) Interest rate exposure of financial liabilities

Based on the year end debt position, if interest rates were to move by 0.1%, the impact on the profit before tax would be approximately £38,000. LIBOR is capped at 1.50% for £25,000,000 of term loans.

25. Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows

	As at 30 June 2013 £000
No later than one year	15,118
Later than one year and no later than 5 years	57,749
Later than five years	132,220
	205,087

26. Contingent liabilities

Given the nature of the Groups operations from time to time the Group is involved in litigation primarily in an employment related nature.

27. Pension

The Group operates a defined contribution scheme for its employees. The pension costs are charged to the Statement of Comprehensive Income in the year that they are incurred and any outstanding contributions at the year end are included within accruals and other payables. The assets of the scheme are held separately from those of the Group in independently administered funds. The pension cost for each year represents the contributions payable to the fund each year and is shown in note 5.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued

28. Cash flow from operating activities

Reconciliation of net cash inflow from operating activities

Group	2013 £000
Loss before taxation	(40,075)
Amortisation of intangible assets	674
Depreciation of property, plant and equipment	6,908
Lease premium amortisation	46
Goodwill impairment	32,063
Profit on disposal of property, plant and equipment	(3,346)
Non cash movement on exceptional costs (note 4)	(453)
Net finance charge	10,268
Decrease in inventories	617
Decrease in receivables	884
Decrease in trade and other payables	(4,642)
Decrease in provisions	(722)
Net cash inflow from operations	2,222

29. Acquisitions and disposals

On 27 July 2012, the Group acquired the entire issued share capital of Novus Leisure Limited for a cash consideration of £17,299,000. A further £1,147,000 of advisor fees was incurred to arrange the acquisition. The final consideration paid for the share capital was dependant on quantifying certain liabilities of the Group. At 30 June 2013 a refund of £800,000 was agreed and is carried on the balance sheet within other receivables. The net purchase consideration including fees is £17,646,000.

The book value, fair value and resulting goodwill arising on the acquisition are detailed below.

	Book Value £000	Fair value adjustment £000	Fair value £000
Assets acquired			
Intangible assets	4,208	(724)	3,484
Property, plant and equipment	43,884	(2,508)	41,376
Inventories	1,578	-	1,578
Trade and other receivables	8,428	(633)	7,795
Cash	4,050	-	4,050
Trade and other payables	(19,277)	1,242	(18,035)
Corporation Tax	(1,400)	174	(1,226)
Provisions	(315)	(2,215)	(2,530)
Deferred tax	(2,522)	1,581	(941)
Borrowings	(79,294)	-	(79,294)
Net liabilities acquired	(40,660)	(3,083)	(43,743)
Goodwill arising on acquisition			61,389
Total purchase consideration including fees			17,646

Fair value adjustments have been booked to intangible assets and property, plant and equipment where the value in use of the asset is less than the carrying net book value.

The values of other current assets and liabilities have been adjusted to amounts to be realised or paid respectively.

A rent free provision carried in the book value of the acquired company has been reversed and an additional onerous lease provision for certain properties has been created.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 5 JULY 2012 TO 30 JUNE 2013 continued

30. Subsequent events

On 30 July 2013 the Group repaid £3,000,000 of the term loan

On 22 August 2013 the Group received an £800,000 refund of the purchase price paid for the share capital of Novus Leisure Limited. The final price paid is dependent on the Group quantifying certain liabilities

31. Capital commitments

At 1 July 2012 the Group had £31,000 authorised and contracted capital commitments

32. Related Parties

LGV Capital Partners Limited ("LGV") is considered to be a related party by virtue of LGV 7 Private Equity Fund Limited Partnership's 40.6% shareholding and significant influence in the Company. During the period ended 30 June 2013, the Company paid a fee of £770,000 to LGV for negotiating the acquisition and arranging financing under normal commercial terms. In addition LGV received £40,000 for management services. At 30 June 2013 £12,000 was outstanding. During the period ended 30 June 2013, the Group also received £32,297,919 for loan notes issued. The loan notes are subject to 10.0% interest which is capitalised annually. At 30 June 2013 LGV was owed £35,297,644.

Hutton Collins Partners LLP ("Hutton Collins") is considered to be a related party by virtue of Hutton Collins Capital Partners III LP's 40.6% shareholding and significant influence in the Company. During the period the Group paid a fee of £801,000 to Hutton Collins for negotiating the acquisition and arranging financing under normal commercial terms. In addition Hutton Collins received £40,000 for management services. There were no amounts outstanding at 30 June 2013. During the period ended 30 June 2013, the Group also received £32,297,919 for loan notes issued. The loan notes are subject to 10.0% interest which is capitalised annually. At 30 June 2013 Hutton Collins was owed £35,297,644.

Due to the change of ownership of Novus Leisure Limited, three directors received a total £4.0m as consideration for their shareholding in that company. Further the Group refunded acquired loan notes of £0.1m issued by Novus Leisure Limited to one Director of the Company. The loan notes were fully paid up and not interest bearing.

On 27 July 2012 the Group received £597,000 from a former director of the Company in exchange for loan notes. The loan notes were subject to 10% interest. On the 28 June 2013, the loan notes had accrued £55,000 of interest. On 28 June 2013 the loan notes and interest were cancelled for a cash consideration of £200,000 and 452,529 £1 Deferred shares in the Survivor Group Limited, issued at par.

On the 27 July 2012 the Group received £112,000 from a former director of the Company in exchange for loan notes. On 18 April 2013, the director sold the loan notes to subsidiary undertaking for a cash consideration of £112,000.

33. Ultimate Controlling Party

The Company is majority owned by LGV7 Private Equity Fund Limited Partnership (40.6%) and Hutton Collins Capital Partners III LP (40.6%). There is no ultimate controlling party. The largest and smallest group in which the results of the Company are consolidated is that headed by Survivor Group Holdings Limited. The consolidated financial statements of Survivor Group Holdings Limited may be obtained from the Company Secretary, Survivor Group Holdings Limited, Clareville House, 26-27 Clareville House, London SW1Y 4EL.