Company Registration No. 08462175

Panther Partners Limited

Annual Report and Financial Statements

For the period ended 31 March 2014

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Panther Partners Limited

Annual report and financial statements for the year ended 31 March 2014

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Officers and professional advisers

Directors

D A L Gunewardena (appointed 19 April 2013)
D M Loewi (appointed 19 April 2013)
B Aykroyd (appointed 16 April 2013, resigned 31 July 2014)
D Sasaki (appointed 16 April 2013, resigned 6 August 2014)
C Neale (appointed 31 July 2014)
S M C Sherwood (appointed 19 April 2013)
M Hulley (appointed 7 February 2014, resigned 26 March 2014)

Registered Office

16 Kirby Street
London
EC1N 8TS

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

Banker

Lloyds Banking Group
25 Gresham Street,
London
EC2V 7HN

Solicitor

Olswang LLP
90 High Holborn
London
WC1V 6XX

Panther Partners Limited

Strategic report

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

Principal activities

The principal activities of the Group are the ownership and operation of restaurants and a hotel. The company, incorporated on 16 April 2013 and originally registered as D&D Topco Limited, changed its name to Panther Restaurants Limited on 15 July 2013, and then changed its name to Panther Partners Limited on 16 July 2013.

These are the first financial statements presented by the Company and include results of its operations from incorporation on 16 April 2013 to 31 March 2014.

Business Review

On 19 April 2013, Panther Partners Limited acquired 100% of the ordinary share capital of CGL Restaurant Holdings Limited, the previous parent company of the Group, following a secondary management buyout of the business financed by Lloyds Development Capital LP ("LDC").

The shareholdings of Conran Holdings Limited and Cavendish Square Partners LLP in CGL Restaurant Holdings Limited were bought out by Panther Partners Limited, funded by the company's principal shareholder, LDC. Management and employees of the company retained their 31% ownership of the Group through shareholdings in the new parent company.

On a full year basis (incorporating pre-acquisition results from 1 April 2013 – 18 April 2013) and compared with figures from the Group formerly known as CGL Restaurant Holdings Limited in the prior period. Turnover has increased by 18% compared to the previous year to £93,141,000 (2013: £78,977,000). Profit for the period (before tax, non-cash charges and one-off items) amounted to £5,485,000 (2013: £4,914,000). Turnover has grown with the contribution of the full year results for the new ventures launched at South Place and Old Bengal Warehouse in Central London in September 2012, and Angelica and Crafthouse in Leeds in March 2013. The Group has also benefited from strong underlying sales growth in its established businesses particularly in the second half of the financial year.

The reported profits of the Group are reduced by a number of significant non-cash charges and one-off items as follows:

	2014
	£'000
Statutory loss before taxation	(4,683)
Non-cash charges	
Amortisation of intangible fixed assets and depreciation	4,893
Accrued interest on unitranche debt	873
Accrued interest on loan notes	2,829
Amortisation of issue costs	427
Impairment of investments in joint ventures	893
One-off items	
Total one-off items (Note 1, below)	253
Profit before taxation before non-cash charges and one-off items	5,485

Note 1: Relates primarily to pre-opening and launch costs at Avenue, which took place in January and February 2014.

The directors consider the results for the period to be satisfactory in the context of the recovering global economic conditions in which the business has traded during the financial period.

Results and dividends

The Group's turnover, including share of turnover from joint ventures, for the period from incorporation on 16 April 2013 to 31 March 2014 was £89,166,000 and the loss after taxation for the year was £4,863,000. The directors do not recommend a dividend for the financial period.

Principal risks and uncertainties

The principal risks and uncertainties, arising from both internal and external factors that could impact the Group's performance and the related mitigating activities to manage that risk are considered below. The Group has risk management processes to identify, monitor and evaluate such issues as they emerge, enabling the Board to take appropriate action where possible. The factors listed below should be considered in connection with any forward looking statements in this report. These forward looking statements reflect the Board's current expectations concerning future events and actual results may differ from these expectations.

Economic and market risk

The economic environment and general consumer sentiment have a bearing on the success of the Group. The recovery of the global economic climate over the last twelve months and the impact on consumer spending has benefitted the Group activities. The predominance of the Group's restaurants in London has helped the business to continue to grow its revenues. Furthermore, the Group is exposed to the market risks associated with the activities and operation of competing restaurants.

The Group is committed to maintaining a highly desirable customer experience. The D&D brand is synonymous with style and exclusivity. Internal processes ensure that the Group is well positioned to react to market pressures while continuing to deliver a high quality product at competitive prices to its customers.

Operational efficiency and cost control

The Group faces growing internal and external cost pressures. These pressures are managed with a focus on improving supply chain management, operational efficiency and rigorous cost control. The Group is constantly looking to implement new initiatives to improve efficiency across the whole business, resulting in lower operating costs without compromising product quality or service levels. This helps support the businesses' competitiveness and profitability.

Financing and treasury

Key to the financial success of the business is the availability of sufficient bank facilities to permit the Group to meet its obligations and to enable it to continue to fund its growth through investment in new restaurants and in improving its existing venues.

At 31 March 2014, the Group had an outstanding non-current term loan of £22,956,000, which matures in April 2018, as detailed in note 17. The Group also utilises a £2,000,000 revolving credit facility (RCF), principally for working capital purposes.

The Group also manages its interest rate and foreign currency risks through appropriate policies laid down by the Board. The policies and strategies to manage these risks are described in note 1 to the consolidated financial statements.

Major operational risk

In common with other businesses, the Group depends on its process and control framework to mitigate the possibility of a major failure in operations, information technology, finance, human resources or other key business processes capable of having an impact on its performance. These failures may be caused by internal factors, such as a major information technology systems failure, a supply chain breakdown or failure to retain key personnel. They could also be driven by external events, such as disruptions or other adverse events affecting our relationship with, or the performance of, major suppliers, financial services providers, designers or concessionaires, terrorism or natural disasters and other major events which impact the Group as well as the communities it serves. The Group is committed to developing and strengthening its coordinated risk management and assurance mechanisms to manage

Strategic report (continued)

these risks in a manner which it believes ensure an appropriate and effective control framework for its businesses at a local, national and corporate level.

Major health and safety risks

The Group takes its responsibilities in the field of health, safety and the environment very seriously and fully recognises the potential human, reputational and financial consequences of these risks. The business has dedicated teams addressing these risks and follows policy and procedure.

Going Concern

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found within the Accounting Policies disclosed within the notes to the financial statements (see note 1).

Group strategy and future outlook

The Group remains keenly focused on improving profitability through operational changes to the Group's restaurants, supply chain and business processes and by further focused investment in the Group (note 25). The Group rigorously plans and controls its cost base and remains committed to cash generation and protection activities. It maintains its review processes and actions across the business to deliver cash improvements and enhance its risk measures to protect the business.

The general economic outlook for 2014/15 for London is positive. This is however in the context of a global economy which remains fragile. Accordingly, the directors have taken a cautious approach over the next 12 months with regards to investment and business planning. The directors have planned the year ahead with initiatives to drive and protect sales, to reduce costs and to improve cash generation. In this context, the Group has continued to commit to the refurbishment of the existing portfolio and new projects to enable the business to continue to expand in the long term.

The Directors remain optimistic and believe that the Group will remain highly competitive, continue to deliver to customers a high quality experience, and maintain its position as one of the leading restaurant groups in Europe.

Approved by the Board of Directors
and signed on behalf of the Board on 30 SEPTEMBER 2014

D A L Gunewardena
Director

Panther Partners Limited

Directors' report

The directors present their annual report and the audited financial statements for the period from incorporation on 16 April 2013 to 31 March 2014.

Directors

The directors of the company who served during the period were as listed on page 1.

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Directors' statements as to disclosure of information to auditor

The directors who were members of the board at the time of approving the Directors' Report are listed on page 1.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP was appointed auditor to the Company during the period and have indicated their willingness to continue in office and a resolution to reappoint them as auditor will be put to the members at the Annual General Meeting.

Approved by the Board and signed on its behalf by:

D A L Gunewardena
Director
30 SEPTEMBER 2014

Panther Partners Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Panther Partners Limited

We have audited the financial statements of Panther Partners Limited for the period from incorporation on 16 April 2013 to 31 March 2014 which comprise the consolidated profit and loss account, consolidated statement of total recognised gains and losses, consolidated and company balance sheets, consolidated cash flow statement and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the 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 annual report 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 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 31 March 2014 and of the group's loss for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

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.

Georgina Robb (Senior statutory auditor) 30 September 2014
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
2014

Panther Panthers Limited

Consolidated profit and loss account
For the period from incorporation on 16 April 2013 to 31 March 2014

	Notes	2014 £'000
Turnover: group and share of joint ventures	2	89,166
Less share of turnover of joint ventures		(1,251)
Group turnover		87,915
Cost of sales	3	(77,297)
Gross profit		10,618
Administrative expenses	3	(8,644)
Continuing operations:		
Operating profit before impairment and exceptional items	4	1,974
Group operating profit before discontinued operations		1,974
Discontinued operations:		
Impairment of investment in joint venture		(893)
Group operating profit	4	1,081
Share of operating profit of joint ventures		23
Total operating profit		1,104
Other income	8	50
Interest payable and similar charges	7	(5,837)
Loss on ordinary activities before taxation		(4,683)
Tax credit on loss on ordinary activities	9	53
Loss on ordinary activities after taxation		(4,630)
Minority interests		(10)
Loss for the financial period		(4,640)

All amounts reported in the profit and loss account relate to operations acquired during the period.

Panther Panthers Limited

Consolidated statement of total recognised gains and losses
For the period from incorporation on 16 April 2013 to 31 March 2014

	2014 £'000
Loss attributable to members of the group excluding joint ventures	(4,663)
Share of profit of joint ventures	23
	(4,640)
Exchange differences on retranslation of net assets of subsidiary undertakings	(33)
Total recognised loss for the period	(4,673)

Panther Partners Limited

Consolidated and company balance sheets
As at 31 March 2014

	Notes	Group 2014 £'000	Company 2014 £'000
Fixed assets			
Intangible assets	10	31,699	-
Tangible assets	11	25,988	-
		57,687	-
Investment in subsidiaries	12	-	17,895
Investment in joint ventures:			-
Share of gross assets	12	455	-
Share of gross liabilities	12	(209)	-
		246	
Total investments			
		57,933	17,895
Current assets			
Stocks	13	3,465	-
Debtors	14	6,034	33,198
Cash at bank and in hand		1,911	-
		11,410	33,198
Creditors: amounts falling due within one year	15	(17,419)	(701)
Net current assets/(liabilities)		(6,009)	32,497
Total assets less current liabilities		51,924	50,392
Creditors: amounts falling due after more than one year	16	(54,873)	(52,830)
Provisions for liabilities and charges	17	(1,270)	-
Minority interests		(172)	-
Net liabilities		(4,391)	(2,438)
Capital and reserves			
Called up share capital	19	122	122
Share premium account	19	160	160
Profit and loss account	20	(4,673)	(2,720)
Total shareholders' deficit		(4,391)	(2,438)

The financial statements of Panther Partners Limited (registered number 08462175) were approved by the Board of Directors and authorised for issue ~~on~~ 30 SEPTEMBER 2014.

Signed on behalf of the Board of Directors

D A L Gunewardena

Panther Partners Limited

Consolidated cash flow statement
For the period from incorporation on 16 April 2013 to 31 March 2014

	Notes	2014 £'000
Net cash inflow from operating activities	21	5,200
Returns on investments and servicing of finance		
Interest paid		(1,738)
Dividends received from Joint Venture		50
Issue costs on borrowing		(2,360)
Net cash outflow from returns on investments and servicing of finance		(4,048)
Taxation		
Corporation tax paid		(251)
Tax paid		(251)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	11	(2,398)
Net cash outflow on capital expenditure		(2,398)
Acquisition and disposals		
Purchase of subsidiary undertakings		(20,658)
Cash acquired with subsidiary undertakings		2,576
Net cash outflow on acquisitions		(18,082)
Cash outflow before financing		(19,579)
Financing		
Increase of ordinary share capital		122
Increase of preference shares		160
Increase in long term borrowings		22,500
Repayments of long term borrowings		(1,292)
Net cash inflow from financing		21,490
Increase in cash and cash equivalents	21	1,911

Notes to the financial statements
For the period from incorporation on 16 April 2013 to 31 March 2014

1. **Accounting policies**

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The accounting policies adopted by the Group are set out below and have been applied consistently in the current period.

Going concern

The directors have reviewed the Group's forecasts, taking a prudent view of trading performance in the next 12 months. These show that the Group should be able to operate within its banking facilities and loan covenants.

However, should the Group's trading deteriorate, the directors believe that they will be able to take appropriate actions, such as the sale of non-core property and other investments, to continue to operate within the groups existing bank facilities.

Thus the directors therefore have a reasonable expectation that the Company and the Group have adequate resources to continue to trade for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements. Refer to the Strategic & Directors' Report and Post Balance Sheet Events (note 25) for further going concern considerations.

Basis of consolidation

The Group financial statements consolidate the financial statements of Panther Partners Limited and all its subsidiary undertakings to 31 March 2014, together with the Group's share of the net assets and results of its joint ventures. No profit and loss account is presented for Panther Partners Limited as permitted by Section 408 of the Companies Act 2006. The Company's loss for the financial period was £2,720,000 (first year of operation).

Subsidiaries are consolidated, using the acquisition method of accounting, from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred from the Group.

The assets, liabilities and contingent liabilities of a subsidiary are measured at the fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the separately identifiable net assets acquired is recognised as goodwill. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

Intangible fixed assets

Goodwill

Positive goodwill is capitalised, classified as an asset at cost on the balance sheet and amortised on a straight-line basis over its useful economic life, up to a maximum of 20 years. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Lease intangibles

On acquisition, leasehold properties with embedded values in the lease are capitalised as an asset on the balance sheet at a cost and amortised on a straight line basis over the remaining lease periods, even if payments are not made on such a basis.

Trademarks

Purchased trademarks are classified as an asset at cost on the balance sheet and amortised on a straight-line basis over their useful economic lives, up to a maximum of 20 years.

1. **Accounting policies (continued)**

Tangible fixed assets

Tangible fixed assets are included at cost, less accumulated depreciation. Depreciation is provided on assets when they are brought into use and is charged on a straight-line basis over the following periods:

Leasehold property	–	over the period of the lease
Leasehold improvements	–	over the shorter of the period of the lease and 25 years
Plant and equipment	–	4 years
Fixtures, fittings and equipment	–	4 years

Investments

Subsidiaries

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less any provision for impairment in value.

Trade investments

Trade investments are stated at cost less any provision for impairment in value.

Stocks

Raw materials and consumables are stated at the lower of cost and net realisable value on a first-in, first-out basis.

Crockery, linen and staff uniforms (included in other stock) are accounted for on a renewals basis.

There are no material differences between the recorded book values and replacement cost.

Turnover

Group turnover comprises the value of sales of goods and services (excluding Value Added Tax) in the normal course of business. The turnover of the restaurants excludes the staff discretionary service charge which is independently collected and distributed by a Tronc committee. Turnover is recognised as goods and services are delivered.

Leases

Rentals paid under operating leases are charged to income on a straight line basis over the period of the lease. The aggregate benefit of any lease premium or rent-free period under rental operating leases is taken to income on a straight-line basis over the shorter of the lease term or the period ending on a date from which it is expected that the prevailing market rental will be payable.

Rentals received under operating leases are recognised within the profit and loss account on a straight line basis.

Foreign currency

Company

Transactions in foreign currencies are translated into sterling at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the rates prevailing at the balance sheet date. Resulting exchange gains or losses are taken to the profit and loss account.

Group

The profit and loss accounts of foreign subsidiary undertakings are translated into sterling at the average rate for the year. Assets and liabilities denominated in foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences arising on retranslation of net assets are taken

1. Accounting policies (continued)

Foreign currency (continued)

directly to reserves. All other translation differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against group equity investments in foreign entities, which are taken directly to reserves, together with the exchange differences on the net investment in these entities.

Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pension costs and other post-retirement benefits

The Company does not operate its own pension scheme. The Company makes contributions to certain senior employees' personal pension schemes, which are charged to the profit and loss account as they fall due.

Financial liabilities and equity

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

2. Turnover

Turnover and loss before tax are derived solely from the operation of restaurants.

An analysis of turnover by geographic market is given below:

	Period ended 31 March 2014 £'000
UK	80,095
Other	9,072
	89,167

Joint venture income (included above) in the UK and other was £1,251,000 and £nil respectively.

Panther Partners Limited

Notes to the financial statements (continued)
For the period from incorporation on 16 April 2013 to 31 March 2014

3. Cost of sales and administrative expenses

	Period ended 31 March 2014 £'000
Cost of sales	77,297
Administrative expenses	8,644

4. Operating profit

Operating profit is stated after charging/(crediting):

		Period ended 31 March 2014 £'000
Depreciation	– of owned assets	3,334
Amortisation	– intangible fixed assets	1,559
Impairment of fixed asset investments		893
Operating leases	– land and buildings	9,150
	– sublet property income	(1,132)
	– plant and machinery	11

	Period ended 31 March 2014 £'000
Auditor's remuneration	
Fees payable to the group's auditor for the audit of the group and subsidiaries' annual accounts	165

5. Directors' remuneration

The remuneration in respect of the directors of the Company was as follows:

	Period ended 31 March 2014 £'000
Emoluments	715
Pension contributions	25
	740

5. Directors' remuneration (continued)

The remuneration in respect of the highest paid director was as follows:

	Period ended 31 March 2014 £'000
Emoluments	333
Pension contributions	12
	345

6. Staff costs

Staff costs (including executive directors) consist of:

	2014 £'000
Wages and salaries	31,528
Social security costs	2,877
Pension costs	148
	34,553

The average full-time equivalent number of persons employed by the group during the period was as follows:

	2014 No.
Restaurants	1,401
Administrative	67
	1,468

The Company employed no staff during the period.

7. Interest payable and similar charges

	Period ended 31 March 2014 £'000
Bank interest payable and similar charges	2,581
Interest on management loan notes	2,829
Amortisation of issue costs	427
	5,837

Notes to the financial statements (continued)
For the period from incorporation on 16 April 2013 to 31 March 2014

8. Other income

Other income includes a £50,000 dividend received by The Modern Pantry, in which a subsidiary in the Group retains a 50% interest.

9. Tax on loss on ordinary activities

(a) Tax on loss on ordinary activities

The tax credit is made up as follows:

	Period ended 31 March 2014 £'000
Current tax:	
UK corporation tax	266
Total current tax (note 9(b))	266
Deferred tax:	
Origination and reversal of timing differences	(319)
Total deferred tax	(319)
Tax credit on loss on ordinary activities	53

(b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the period varies from the standard rate of corporation tax in the UK of 23%. The differences are reconciled below:

	Period ended 31 March 2014 £'000
Loss on ordinary activities before tax	(4,683)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23%	(1,077)
Permanent disallowables	1,336
Capital allowances for the period in excess of depreciation	114
Tax overprovided in previous periods	30
Losses utilised /carried forward	(137)
Total current tax (note 9(a))	266

9. Tax on loss on ordinary activities

(c) Factors that may affect future tax charges

The Group has tax losses arising in France of €4,704,000, which are available for offset against future taxable profits of certain of the Group's French subsidiaries to a maximum of ten years from the date of being incurred. The tax losses have not been recognised in the financial statements as deferred tax assets as the directors do not consider that there is sufficient evidence that such an asset would be recoverable in the foreseeable future.

The losses incurred in France give rise to a tax credit of 33% of those losses as the rate of corporation tax applied in France is higher than that in the UK.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries and joint ventures. As the earnings are continually reinvested by the group, no tax is expected to be payable on them in the foreseeable future.

There are unprovided deferred tax assets of £176,000 relating to losses carried forward and depreciation in excess of capital allowances and an unprovided tax liability of £158,000 related to a rolled over capital gain. The amount has not been recognised as the directors do not believe there is sufficient evidence that the asset will be recovered.

10. Intangible assets

Group

The net book value of intangible fixed assets comprises:

	Leasehold intangibles £'000	Goodwill £'000	Trademarks £'000	Total £'000
Cost				
At 16 April 2013	-	-	-	-
Acquired during the period	3,733	28,541	984	33,258
At 31 March 2014	3,733	28,541	984	33,258
Accumulated amortisation				
At 16 April 2013	-	-	-	-
Provided during the period	105	1,380	74	1,559
At 31 March 2014	105	1,380	74	1,559
Net book value				
At 31 March 2014	3,628	27,161	910	31,699

– Goodwill is being amortised over its useful economic life of 20 years.

– Trademarks are being amortised over their useful economic lives of 20 years.

– Leasehold intangibles are being amortised over the remaining lease periods.

11. Tangible fixed assets

The net book value of tangible fixed assets of the Group comprises:

	Leasehold property and improve -ments £'000	Furniture, fixtures and fittings £'000	Plant and equipment £'000	Total £'000
Cost				
At 16 April 2013	-	-	-	-
Acquired during the period	24,519	1,335	1,516	27,370
Additions	660	956	782	2,398
Exchange differences	(839)	(144)	(117)	(1,100)
At 31 March 2014	24,340	2,147	2,181	28,668
Accumulated depreciation				
At 16 April 2013	-	-	-	-
Provided during the period	2,095	626	613	3,334
Exchange differences	(405)	(134)	(116)	(655)
At 31 March 2014	1,690	492	497	2,679
Net book value				
At 31 March 2014	22,650	1,665	1,684	25,989

12. Investments in subsidiaries and joint ventures

a) Group

(i) Investment in joint ventures

	Book value and fair value to Group £'000
At 16 April 2013	-
Acquired during the period	223
Share of profit in the period	73
Dividends received	(50)
At 31 March 2014	246

50% of the share capital of The Modern Pantry Limited, a company registered in the UK, is held by a subsidiary company, CGL Restaurant Holdings Limited. The purpose of the joint venture is the operation of a restaurant in London.

The Group's share of its joint ventures is further broken down as follows:

12. Investments in subsidiaries and joint ventures (continued)

b) Group

(i) Investment in joint ventures

	2014
	£'000
Share of fixed assets	184
Share of current assets	271
Share of liabilities due within one year	(209)
	246

c) Company

	Subsidiary undertakings £'000	**Total £'000**
Cost		
At 16 April 2013	-	-
Acquired during the period	17,895	17,895
At 31 March 2014	17,895	17,895
Impairment		
At 16 April 2013 and 31 March 2014	-	-
Net book value		
At 31 March 2014	17,895	17,895

Details of the investments in which the Group or the Company holds more than 10% of the nominal value of any class of share capital are shown on the following page:

Notes to the financial statements (continued)
For the period from incorporation on 16 April 2013 to 31 March 2014

12. Investments in subsidiaries and joint ventures (continued)

b) Company (continued)

	Country of registration (or incorporation) and operation	Holding	Proportion of voting rights and shares held	Nature of Business
All held by the company unless indicated:				
CGL Restaurant Holdings Limited	England and Wales	Ordinary shares	100%	Holding Company
The German Gymnasium Limited	England and Wales	Ordinary shares	100%	Restaurant
D&D London Limited	England and Wales	Ordinary shares	100%*	Management Company
Quaglino's Restaurant Limited	England and Wales	Ordinary shares	100%*	Restaurant
Blueprint Café Limited	England and Wales	Ordinary shares	95%*	Restaurant
Le Pont de la Tour Limited	England and Wales	Ordinary shares	100%*	Restaurant
The Butlers Wharf Chop-House Limited	England and Wales	Ordinary shares	100%*	Restaurant
Mezzo Limited	England and Wales	Ordinary shares	100%*	Restaurant
Mezzo Properties Limited	England and Wales	Ordinary shares	100%*	Management Company
The Bluebird Store Limited	England and Wales	Ordinary shares	100%*	Restaurant
Orrery Restaurant Limited	England and Wales	Ordinary shares	100%*	Restaurant
Coq d'Argent Limited	England and Wales	Ordinary shares	100%*	Restaurant
Sartoria Restaurant Limited	England and Wales	Ordinary shares	100%*	Restaurant
Skylon Restaurant Limited	England and Wales	Ordinary shares	100%*	Restaurant
Plateau Restaurant Limited	England and Wales	Ordinary shares	100%*	Restaurant
Alcazar (Paris) Limited	England and Wales	Ordinary shares	95%*	Restaurant
Alcazar (France) Limited	England and Wales	Ordinary shares	95%*	Restaurant
Atlantic Blue Compagnie SNC	France	Ordinary shares	100%*	Restaurant
Guastavino's Inc	USA	Ordinary shares	100%*	Restaurant
Ocean Drive Compagnie SASU	France	Partnership shares	100%*	Nightclub
Floridita London Limited	England and Wales	Ordinary shares	100%*	Restaurant
Image Restaurants Limited	England and Wales	Ordinary shares	100%*	Dormant
Moving Image Restaurants Limited	England and Wales	Ordinary shares	100%*	Restaurant
Place Restaurants Limited	England and Wales	Ordinary shares	100%*	Restaurant
Mirror Image Restaurants Limited	England and Wales	Ordinary shares	100%*	Dormant
The Modern Pantry Limited	England and Wales	Ordinary shares	50%*	Restaurant
Kuala Lumpur Quest Sdn Bhd	Malaysia	Ordinary shares	50%**	Dormant
D&D Istanbul Limited	England and Wales	Ordinary shares	100%*	Dormant
South Place Hotel Limited	England and Wales	Ordinary shares	100%*	Hotel
D&D Leeds Limited	England and Wales	Ordinary shares	100%*	Restaurant
Old Bengal Warehouse Limited	England and Wales	Ordinary shares	100%*	Restaurant
Cinnamon Candy Limited	England and Wales	Ordinary shares	100%*	Events

* held by a subsidiary undertaking.

**The investment in Kuala Lumpur Quest Sdn Bhd has been fully provided for.

Notes to the financial statements (continued)
For the period from incorporation on 16 April 2013 to 31 March 2014

13. Acquisition of subsidiary undertaking

On 19 April 2013 the Company acquired 100 percent of the issued share capital of CGL Restaurant Holdings Limited for cash consideration of £49,077,000 and share consideration of £2,047,000.

Acquisitions are accounted for under the acquisition method.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group:

	Book value	Fair Value Adjustments		Fair value to Group
	£	£		£
Fixed assets				
Intangible assets	19,002	(14,285)	a)	4,717
Tangible assets	28,239	(869)	b)	27,370
Investments	448	(137)	c)	311
Current assets				
Stocks	3,398	-		3,398
Debtors	3,700	-		3,700
Cash	2,576	-		2,576
Total assets	57,363	(15,291)		42,072
Creditors				
Bank loans	(29,340)	29,340	d)	-
Trade creditors	(8,781)	1,771	e)	(7,010)
Other creditors	(52,353)	47,395	f)	(4,958)
Accruals	(5,694)	-		(5,694)
Provisions				
Deferred taxation	(1,665)	-		(1,665)
Total (liabilities)/assets	(97,833)	76,735		(19,327)
Net (liabilities)/assets	(40,470)	61,444		22,745
Minority interest	(162)			(162)
Net Assets				22,583
Satisfied by				
Cash consideration				49,077
Share consideration				2,047
				51,124
Goodwill				28,541

13. Acquisition of subsidiary undertaking (continued)

Details of the fair value adjustments are as follows:

a) derecognition of intangible assets

b) decrease in value of fixed assets to fair value

c) decrease in value of investments to fair value

d) settlement of existing bank loan

e) derecognition of pre-acquisition costs

f) derecognition of preference shares and preference share dividends

In accordance with FRS5 Acquisition and Mergers, all fair value adjustments are provisional and are permitted to be amended within the first full year following acquisition.

CGL Restaurant Holdings Limited earned a profit after taxation and minority interests of £20,082,000 in the period ended 31 March 2014, of which a loss of £247,000 arose in the period from 1 April 2013 to 18 April 2013. The summarised profit and loss account and statement of total recognised gains and losses for the period from 1 April 2013 to 18 April 2013, shown on the basis of the accounting policies of CGL Restaurant Holdings Limited prior to the acquisition, are as follows:

Profit and loss account	**£**
Turnover	3,795
Cost of sales	(3,855)
Gross loss	(60)
Other operating expenses	(69)
Operating loss	(129)
Finance charges	(118)
Loss on ordinary activities before taxation	(247)
Tax on loss on ordinary activities	-
Loss on ordinary activities after taxation	(247)
Minority interests	-
Loss for the financial period	(247)

Statement of total recognised gains and losses

	£
Profit for the financial period	(247)
Total recognised gains and losses relating to the period	(247)

Notes to the financial statements (continued)
For the period from incorporation on 16 April 2013 to 31 March 2014

14. Debtors

	Group 2014 £'000	Company 2014 £'000
Trade debtors	1,517	-
Amounts owed by Group undertakings	-	33,184
Other debtors	1,313	14
Prepayments and accrued income	3,204	-
	6,034	33,198

Included in the above are amounts owed by subsidiary undertakings to the Company totalling £33,184,000. The loans carry interest at 10% per annum but this has been waived in the period ended 31 March 2014.

15. Creditors: amounts falling due within one year

	Group 2014 £'000	Company 2014 £'000
Bank loans and overdrafts	-	37
Trade creditors	8,359	84
Amounts owed to subsidiary undertakings	-	130
Corporation tax	5	-
Other creditors	4,958	-
Accruals and deferred income	4,097	450
	17,419	701

16. Creditors: amounts greater than one year

	Group 2014 £'000	Company 2014 £'000
Bank loans and overdrafts	20,938	20,938
Investor loan notes	29,627	29,627
Management loan notes	2,265	2,265
Other creditors	2,043	-
	54,873	52,830

Investor loan notes comprise £13.5m of subordinated secured loan notes and £13.5m of subordinated unsecured loan notes, which expire in September 2019. Interest accrues on these loan notes at 10% and no interest was paid during the period ended 31 March 2014.

Management loan notes comprise £1.03m of subordinated secured loan notes and £1.03m of subordinated unsecured loan notes, which expire in September 2019. Interest accrues on these loan notes at 10% and no interest was paid during the period ended 31 March 2014.

Other creditors include £2.0m of contribution received in 2013 from the landlord towards capital expenditure at Trinity Leeds, which will be amortised up to the first rent review in 2018.

16. Creditors: amounts greater than one year (continued)

Bank loans

The bank loans are repayable as follows:

	Unitranche Facility 2014 £'000	Total 2014 £'000
Within two to five years	22,956	22,956
Total borrowings at 31 March 2014	22,956	22,956
Deferred issue costs	(2,018)	(2,018)
At 31 March 2014	20,938	20,938

The loans are secured by fixed charges over the Company's and its subsidiaries' assets.

The Company has a Senior Facilities Agreement with Bluebay Direct Lending I Investments (Luxembourg) Sarl (with Lloyds Bank Plc as Security Agent). This facility provides loan arrangements as follows:

A £25.0m unitranche facility repayable on 18 April 2018. (£22.5m drawn at the Balance Sheet date); interest is calculated at LIBOR + 9% (subject to a LIBOR floor of 1%). The coupon is split between LIBOR + 5% interest payable and 4% accrued interest, which is added to the loan.

The remaining £2.5m was drawn post year end to finance Group expansion (see note 25).

17. Provisions for liabilities and charges

Group	Deferred tax £'000
At 16 April 2013	-
Acquired during the period	1,665
Deferred tax credit in Group profit and loss account (note 9 (a))	(319)
Exchange difference on brought forward assets	(76)
At 31 March 2014	1,270

The deferred tax included in the balance sheet is as follows:

	2014 £'000
Accelerated capital allowances	1,163
Prior year adjustment	(26)
Other timing differences	133
Provision for deferred tax	1,270

Notes to the financial statements (continued)
For the period from incorporation on 16 April 2013 to 31 March 2014

18. Derivatives not included at fair value

The Group has an interest rate cap which is not included at fair value in the accounts.

	Principal £'000	2014 £'000
Interest rate swap contracts	17,500	6

The Group uses the derivatives to manage its exposure to interest rate movements on its bank borrowings. The fair values are based on market values of equivalent instruments at the balance sheet date.
The interest rate cap contracts with nominal value of £17.5m have fixed interest payments at an average rate of 1.17 per cent for periods up until 2016 and have floating interest receipts of LIBOR plus 2 per cent.

19. Issued share capital

	2014
Allotted, called up and fully paid	
8,949,636 A1 shares of £0.002 each	18
11,050,364 A2 shares of £0.002 each	22
2,028,985 'B' ordinary shares of £0.01 each	20
6,245,525 'C' ordinary shares of £0.01 each	62
	122
Share premium account	160

All shares rank pari passu in all respects, except the 'C' ordinary shares, which have certain ratchet rights applied to them such that if a minimum hurdle is not met on a sale, listing or refinancing of the business, then some of the economic value accruing on the C ordinary shares will flow to the A ordinary shares until the hurdle is reached. At the Balance Sheet date, there were 710,997 unallocated 'C' shares with a nominal value of £7,110.

During the period the Company allotted the A1, A2 and C shares noted in the table above on 18 April 2013, with a nominal value of £102,000. The B ordinary shares were created and allotted on 16 April 2013.

20. Reconciliation of shareholders' deficit and movement on reserves

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' deficit 2014 £'000
Group				
At 16 April	-	-	-	-
Issued on incorporation	20	-	-	20
Issued during the period	102	160	-	262
Exchange difference on net assets of subsidiaries	-	-	(33)	(33)
Loss attributable to members of the parent undertaking	-	-	(4,640)	(4,640)
At 31 March	122	160	(4,673)	(4,391)

20. Reconciliation of shareholders' deficit and movement on reserves (continued)

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' deficit 2014 £'000
Company				
At 16 April	-	-	-	-
Issued on incorporation	20	-	-	20
Issued during the period	102	160	-	262
Loss after taxation	-	-	(2,720)	(2,720)
At 31 March	122	160	(2,720)	(2,438)

21. Reconciliation of operating profit to net cash inflow from operating activities

	2014 £'000
Operating profit	1,974
Net cash outflow from discontinued operations	(893)
Amortisation – intangible fixed assets	1,559
Depreciation	3,334
(Increase) in stocks	(72)
(Increase) in debtors	(2,413)
Increase in creditors	1,711
Net cash inflow from operating activities	5,200

22. Reconciliation of net cash flow to movement in net debt

	At 16 April 2013 £'000	Acquisitions & disposals* £'000	Cashflow £'000	Other non-cash charges £'000	As at 31 March 2014 £'000
Cash in hand	-	2,576	1,911	-	4,487
Debt due after one year	-	(49,595)	1,292	(5,671)	(53,974)
Issue costs on borrowing	-	-	2,360	-	2,360
Amortisation of issue costs	-	-	-	(427)	(427)
Net debt					(47,544)

23. Contingent liabilities

The company, together with its fellow subsidiaries, were party to an intercompany guarantee dated 18 April 2013 in favour of Lloyds TSB Bank Plc (as security agent for Bluebay) given as security for debt facilities provided to the parent undertaking and its subsidiaries. As at the balance sheet date, the net amount due under these facilities was £21,035,000.

The terms of the purchase of the business by Panther Partners Limited provides for further consideration of £3m to be paid to the vendor shareholders in the event of a subsequent sale of the business, resulting in the majority shareholder achieving a return in excess of a specified multiple. In the event that the business were sold at the balance sheet date at its current market value, there would be no payment triggered. The liability is therefore contingent and not provided for at the Balance Sheet date.

24. Related party transactions

The Company is controlled by the executive management team, with its share capital owned by LDC II LP (68%), LDC Parallel II LP (1%), management and employees of the company (29%) and unallocated share capital (2%).

During the period the Company was charged monitoring fees by LDC of £100,000 and the amount outstanding at the balance sheet date was £8,333.

25. Post balance sheet events

On 22 May 2014, a lease was assigned in to a newly created subsidiary, Newincco 1289 Limited, which is wholly owned by Panther Partners Limited. Newincco 1289 Limited, took over the trade and assets of Madison, at One New Change, London.
In order to fund the acquisition, the Group utilised the undrawn £2.5m of the £25m unitranche facility.