Company Registration No. 08462175

Panther Partners Limited

Annual Report and Financial Statements

For the year ended 31 March 2015

Panther Partners Limited

Annual report and financial statements for the year ended 31 March 2015

Contents

Page

Panther Partners Limited

Annual report and financial statements for the year ended 31 March 2015

Officers and professional advisers

Directors

D A L Gunewardena
D M Loewi
B Aykroyd (resigned 31 July 2014)
D Sasaki (resigned 6 August 2014)
C Neale (appointed 31 July 2014)
S M C Sherwood
T C Harris (appointed 24 September 2014)

Registered Office

16 Kirby Street
London
EC1N 8TS
United Kingdom

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.

Business Review

The Group again saw impressive growth during the year with revenue of £104.9m up by 13% over the prior year (when incorporating the pre-acquisition results from 1 April 2013 – 18 April 2013) and EBITDA, the Group's principal profit metric, of £11.2m increased by 33%. The main drivers of the top line growth were the strengthening economy in the Group's core London market, continuing strong growth from the three newest venues which opened in 2012/13 and the acquisition in May 2014 of a roof top restaurant and bar called Madison in the City of London. This latest addition to the portfolio was refurbished post acquisition during summer 2014 and quickly became one of the Group's top performers.

There was also a major refurbishment and repositioning of Quaglino's, one of the Group's highest profile venues, during the summer of 2014. After a three month closure the restaurant reopened in October 2014 and traded well ahead of expectations for the remainder of the financial year.

The only significantly underperforming venue in the year was Alcazar, the Group's restaurant/bar in Paris, which suffered alongside the wider hospitality market in France due to the severe recession. However the Board continues to believe in the long term success of the Paris business and a full refurbishment of the venue will be completed in late 2015.

After the year end there was a fire at 100 Wardour Street, which led to the closure of Floridita and Carom, subsidiaries in which the Company holds investments. The site is expected to re-open in January 2016, but the likely costs of reinstatement and any recoverable amounts have not yet been quantified.

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

	Year ended 31 March 2015 £'000	**Period ended 31 March 2014 £'000**
Statutory loss before taxation	(2,700)	(4,683)
Non-cash charges		
Amortisation of intangible fixed assets and depreciation	4,641	4,893
Accrued interest on unitranche debt	1,031	873
Accrued interest on loan notes	3,275	2,829
Amortisation of issue costs	440	427
Impairment of investments in joint ventures	-	893
Impairment of fixed assets	683	-
One-off items		
Total one-off items (Note 1, below)	950	253
Profit before taxation before non-cash charges and one-off items	8,320	5,485

Note 1: Relates primarily to pre-opening and launch costs at Quaglinos, which took place between July and October 2014 and the re-structuring of the group finance team. (2014: pre-opening and launch costs at Avenue).

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.

Strategic report (continued)

Results and dividends

The Group's turnover, including share of turnover from joint ventures, for the year ended 31 March 2015 was £104,854,000 (period ended 31 March 2014: £89,166,000) and the loss after taxation for the year was £3,382,000, (period ended 31 March 2014: £4,630,000). The directors do not recommend a dividend for the financial period (2104: £nil).

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 2015, the Group had an outstanding non-current term loan of £26,908,000 (2014: £22,956,000), which matures in April 2018, as detailed in note 17. During the year the Group drew down the remaining £2,500,000 of its unitranche facility to finance the acquisition of Madison. The Group also utilises a £2,000,000 revolving credit facility, 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

Strategic report (continued)

committed to developing and strengthening its coordinated risk management and assurance mechanisms to manage 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 relevant policies and procedures.

Group strategy and future outlook

The general economic outlook for London, D&D's principal market, is positive. The Group's restaurants and South Place Hotel are also performing well. Against this background the Directors have committed to continued expansion of the business through new ventures and refurbishment and remodelling of existing venues. In 2015/16 D&D's restaurants at the Royal Exchange, Le Pont de la Tour, Sartoria, 100 Wardour Street and Alcazar in Paris will be refurbished and remodelled. In addition the Group will in November this year launch the German Gymnasium in Kings Cross.

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. 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 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 23 September 2015

D A L Gunewardena
Director

Panther Partners Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

Directors

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

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).

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 section 418 of the Companies Act 2006.

Auditor

Deloitte LLP 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
23 September 2015

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
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 year ended 31 March 2015 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 27. 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 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial 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

Georgina Robb FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
29 September 2015

Panther Partners Limited

Consolidated profit and loss account
For the year ended 31 March 2015

	Notes	Year ended 31 March 2015 £'000	Period ended 31 March 2014 £'000
Turnover: group and share of joint ventures	2	104,854	89,166
Less share of turnover of joint ventures		(1,302)	(1,251)
Group turnover		103,552	87,915
Cost of sales	3	(92,070)	(77,297)
Gross profit		11,482	10,618
Administrative expenses	3	(7,012)	(8,644)
Continuing operations:			
Operating profit before impairments and exceptional items	4	4,470	1,974
Impairment of fixed assets	3	(683)	-
Group operating profit before discontinued operations		3,787	1,974
Discontinued operations:			
Impairment of investment in joint venture		-	(893)
Group operating profit	4	3,787	1,081
Share of operating profit of joint ventures		28	23
Total operating profit		3,815	1,104
Other income	8	20	50
Interest receivable		29	-
Interest payable and similar charges	7	(6,564)	(5,837)
Loss on ordinary activities before taxation		(2,700)	(4,683)
Tax (charge)/credit on loss on ordinary activities	9	(682)	53
Loss on ordinary activities after taxation		(3,382)	(4,630)
Minority interests		23	(10)
Loss for the financial period		(3,359)	(4,640)

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

Panther Partners Limited

Consolidated statement of total recognised gains and losses
For the year ended 31 March 2015

	2015 £'000	2014 £'000
Loss attributable to members of the group excluding joint ventures	(3,387)	(4,663)
Share of profit of joint ventures	28	23
	(3,359)	(4,640)
Exchange differences on retranslation of net assets of subsidiary undertakings	101	(33)
Total recognised loss for the period	(3,258)	(4,673)

Panther Partners Limited

Consolidated and company balance sheets
As at 31 March 2015

		Group		Company	
		2015	2014	2015	2014
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10	32,927	31,699	-	-
Tangible assets	11	29,332	25,988	-	-
		62,259	57,687	-	-
Investment in subsidiaries	12	-	-	17,895	17,895
Investment in joint ventures:					
Share of gross assets	12	828	455	-	-
Share of gross liabilities	12	(534)	(209)	-	-
Total investments		294	246	17,895	17,895
		62,553	57,933	17,895	17,895
Current assets					
Stocks	14	3,818	3,465	-	-
Debtors	15	6,622	6,034	39,452	33,198
Cash at bank and in hand		1,439	1,911	12	-
		11,879	11,410	39,464	33,198
Creditors: amounts falling due within one year	16	(18,199)	(17,419)	(99)	(701)
Net current (liabilities) / assets		(6,320)	(6,009)	39,365	32,497
Total assets less current liabilities		56,233	51,924	57,260	50,392
Creditors: amounts falling due after more than one year	17	(62,004)	(54,873)	(60,623)	(52,830)
Provisions for liabilities and charges	18	(1,722)	(1,270)	-	-
Minority interests		(149)	(172)	-	-
Net liabilities		(7,642)	(4,391)	(3,363)	(2,438)
Capital and reserves					
Called up share capital	20	129	122	129	122
Share premium account	20	160	160	160	160
Profit and loss account	21	(7,931)	(4,673)	(3,652)	(2,720)
Total shareholders' deficit		(7,642)	(4,391)	(3,363)	(2,438)

The financial statements of Panther Partners Limited (registered number 08462175) were approved by the Board of Directors and authorised for issue on 23 September 2015.

Signed on behalf of the Board of Directors

D A L Gunewardena

Panther Partners Limited

Consolidated cash flow statement
For the year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
Net cash inflow from operating activities	22	7,742	5,200
Returns on investments and servicing of finance			
Interest paid		(1,807)	(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		(1,807)	(4,048)
Taxation			
Corporation tax paid		(389)	(251)
Tax paid		(389)	(251)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	11	(4,642)	(2,398)
Net cash outflow on capital expenditure		(4,642)	(2,398)
Acquisitions and disposals			
Purchase of trade and assets		(4,000)	(20,658)
Cash acquired with subsidiary undertakings		-	2,576
Net cash outflow on acquisitions		(4,000)	(18,082)
Cash outflow before financing		(3,096)	(19,579)
Financing			
Increase of ordinary share capital		7	122
Increase of preference shares		117	160
Increase in long term borrowings		2,500	22,500
Repayments of long term borrowings		-	(1,292)
Net cash inflow from financing		2,624	21,490
(Decrease)/increase in cash and cash equivalents	23	(472)	1,911

Panther Partners Limited

Notes to the financial statements
For the year ended 31 March 2015

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.

Whilst the Group has net current liabilities of £6,320,000 (2014: £6,009,000), this does not represent a risk to liquidity given the natural working capital cycle of the restaurants and management's ability to manage cashflow. 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 Report & Directors' Report and Post Balance Sheet Events (note 27) 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 2015, 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 year was £932,000 (period ended 31 March 2014: £2,720,000).

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

During the year management undertook a detailed review of fixed assets to identify and write off any fully depreciated assets, assets no longer in use in the business and assess whether the useful economic life of the assets was appropriate. The impact of this is shown in note 11.

Following the review, the useful economic life of fixtures and fittings was re-assessed to be 10 years.

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	–	10 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.

1. Accounting policies (continued)

Foreign currency (continued)

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 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 and 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:

	Year ended 31 March 2015 £'000	Period ended 31 March 2014 £'000
UK	95,210	80,095
Other	9,644	9,071
	104,854	89,166

Share of joint venture turnover (included above) in the UK and other was £1,302,000 (2014: £1,251,000).

Panther Partners Limited

Notes to the financial statements (continued)
For the year ended 31 March 2015

3. Cost of sales and administrative expenses

	Year ended 31 March 2015 £'000	Period ended 31 March 2014 £'000
Cost of sales	92,070	77,297
Administrative expenses	7,012	8,644
Write off of fixed assets	683	-

4. Operating profit

Operating profit is stated after charging/(crediting):

		Year ended 31 March 2015 £'000	Period ended 31 March 2014 £'000
Depreciation	– of tangible fixed assets	2,910	3,334
Amortisation	– intangible fixed assets	1,731	1,559
Impairment of fixed asset investments		-	893
Operating leases	– land and buildings	10,957	9,150
	– sublet property income	(1,132)	(1,132)
	– plant and machinery	11	11

	Year ended 31 March 2015 £'000	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 financial statements	135	165
Fees payable to the group's auditor for non-audit services	5	5

5. Directors' remuneration

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

	Year ended 31 March 2015 £'000	Period ended 31 March 2014 £'000
Emoluments	861	715
Pension contributions	22	25
	883	740

5. Directors' remuneration (continued)

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

	Year ended 31 March 2015 £'000	Period ended 31 March 2014 £'000
Emoluments	380	333
Pension contributions	13	12
	393	345

The number of directors accruing benefits under the pension scheme is 3 (2014: 3).

An amount of £25,062 (period ended 31 March 2014: £nil) was loaned to a director during the year with no interest charged. There were no repayments during the year although the amount will be repaid in full.

6. Staff costs

Staff costs (including executive directors) consist of:

	Year ended 31 March 2015 £'000	Period ended 31 March 2014 £'000
Wages and salaries	33,549	31,528
Social security costs	2,850	2,877
Pension costs	182	148
	36,581	34,553

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

	2015 No.	2014 No.
Restaurants	1,691	1,401
Administrative	70	67
	1,761	1,468

The Company employed no staff during the period.

Notes to the financial statements (continued)
For the year ended 31 March 2015

7. Interest payable and similar charges

	Year ended 31 March 2015 £'000	Period ended 31 March 2014 £'000
Bank interest payable and similar charges	2,851	2,581
Interest on management loan notes	3,275	2,829
Amortisation of issue costs	438	427
	6,564	5,837

8. Other income

Other income includes a £20,000 (2014: £50,000) dividend received from The Modern Pantry, a joint venture 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 charge/(credit) is made up as follows:

	Year ended 31 March 2015 £'000	Period ended 31 March 2014 £'000
Current tax:		
UK corporation tax	270	266
Total current tax (note 9(b))	270	266
Deferred tax:		
Origination and reversal of timing differences	412	(319)
Total deferred tax	412	(319)
Tax charge/(credit) on loss on ordinary activities	682	(53)

9. Tax on loss on ordinary activities (continued)

(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 21% (2014: 23%). The differences are reconciled below:

	Year ended 31 March 2015 £'000	Period ended 31 March 2014 £'000
Loss on ordinary activities before tax	(2,700)	(4,683)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014: 23%)	(567)	(1,077)
Permanent disallowables	1,203	1,336
Capital allowances for the period in excess of / (less than) depreciation	(119)	114
Tax (under)/over provided in previous periods	(242)	30
Losses utilised	(5)	(137)
Total current tax (note 9(a))	270	266

(c) Factors that may affect future tax charges

The Group has tax losses arising in France of €4,874,000 (2014: €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 £174,000 (2014: £176,000) relating to losses carried forward and depreciation in excess of capital allowances and an unprovided tax liability of £188,000 (2014: £158,000) related to a rolled over capital gain. The amount has not been recognised as the directors do not believe there is sufficient certainty 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 1 April 2014	3,733	28,541	984	33,258
Acquired during the period (note 13)	-	2,959	-	2,959
At 31 March 2015	3,733	31,500	984	36,217
Accumulated amortisation				
At 1 April 2014	105	1,380	74	1,559
Provided during the period	105	1,551	75	1,731
At 31 March 2015	210	2,931	149	3,290
Net book value				
At 31 March 2015	3,523	28,569	835	32,927
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.

Panther Partners Limited

Notes to the financial statements (continued)
For the year ended 31 March 2015

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 1 April 2014	24,340	2,147	2,181	28,668
Acquired during the period	1,500	250	-	1,750
Additions	1,868	1,720	1,054	4,642
Reclassifications	87	(79)	(8)	-
At 31 March 2015	27,795	4,038	3,227	35,060
Accumulated depreciation				
At 1 April 2014	1,690	493	497	2,680
Provided during the period	1,933	408	568	2,909
Write offs	139	-	-	139
At 31 March 2015	3,762	901	1,065	5,728
Net book value				
At 31 March 2015	24,033	3,137	2,162	29,332
At 31 March 2014	22,650	1,654	1,684	25,988

The Company holds no fixed assets (2041: £nil).

12. Investments in subsidiaries and joint ventures

a) Group

(i) Investment in joint ventures

	Book value and fair value to Group £'000
At 1 April 2014	246
Share of profit in the period	68
Dividends received	(20)
At 31 March 2015	294

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:

Panther Partners Limited

Notes to the financial statements (continued)
For the year ended 31 March 2015

12. Investments in subsidiaries and joint ventures (continued)

b) Group

(i) Investment in joint ventures

	2015 £'000	2014 £'000
Share of fixed assets	188	184
Share of current assets	640	271
Share of liabilities due within one year	(234)	(209)
Share of liabilities due after one year	(300)	-
	294	246

c) Company

	Subsidiary undertakings £'000	Total £'000
Cost		
At 1 April 2014 and 31 March 2015	17,895	17,895
Impairment		
At 1 April 2014 and 31 March 2015	-	-
Net book value		
At 31 March 2015	17,895	17,895
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:

12. Investments in subsidiaries and joint ventures

c) Company (continued)

All held by the company unless indicated:	Country of registration (or incorporation) and operation	Holding	Proportion of voting rights and shares held	Nature of Business
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
D&D Nova Limited	England and Wales	Ordinary shares	100%	Restaurant
D&D Glasgow Limited	England and Wales	Ordinary shares	100%	Restaurant
Madison Restaurant Limited	England and Wales	Ordinary shares	100%	Restaurant

* held by a subsidiary undertaking.

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

Panther Partners Limited

Notes to the financial statements (continued)
For the year ended 31 March 2015

13. Acquisition of trade and assets

On 22 May 2014, subsidiary company acquired the trade and assets of Greenwich Inc Limited for cash consideration of £3,842,000 and deferred consideration of £750,000. The Company incurred acquisition related costs of £158,000.

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 £'000	Fair Value Adjustments £'000		Fair value to Group £'000
Fixed assets				
Tangible assets	750	1,000	a)	1,750
Current assets				
Stocks	95	-		95
Debtors	45	-		45
Cash	8	-		8
Total assets	898	1,000		1,898
Creditors				
Trade creditors	(199)	-		(199)
Accruals and deferred income	(66)	-		(66)
Total liabilities	(265)	-		(265)
Net assets	633	1,000		1,633
Satisfied by				
Cash consideration				3,842
Deferred consideration				750
				4,592
Goodwill				2,959

Details of the fair value adjustments are as follows:

a) increase in value of fixed assets to fair value

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.

14. Stock

	2015 £'000	2014 £'000
Raw materials and consumables	1,798	1,569
Crockery, linen and staff uniforms	2,020	1,896
	3,818	3,465

There is no material difference between the carrying value and the replacement value of stocks.

15. Debtors

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Trade debtors	1,791	1,517	17	-
Amounts owed by Group undertakings	-	-	39,310	33,184
Other debtors	357	1,313	-	14
Prepayments and accrued income	4,474	3,204	125	-
	6,622	6,034	39,452	33,198

Included in the above are amounts owed by subsidiary undertakings to the Company totalling £39,310,000 (2014: £33,184,000). The loans carry interest at 10% (2014: 10%) per annum but this has been waived in the years ended 31 March 2015 and 31 March 2014.

16. Creditors: amounts falling due within one year

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Bank loans and overdrafts	-	-	-	37
Trade creditors	6,451	8,359	10	84
Amounts owed to subsidiary undertakings	-	-	-	130
Other taxation and social security	292	5	-	-
Other creditors	2,672	4,958	-	-
Accruals and deferred income	8,784	4,097	89	450
	18,199	17,419	99	701

17. Creditors: amounts greater than one year

	Group		Company	
	2015	**2014**	**2015**	**2014**
	£'000	**£'000**	**£'000**	**£'000**
Bank loans and overdrafts	25,328	20,938	25,328	20,938
Investor loan notes	32,664	29,627	32,664	29,627
Management loan notes	2,631	2,265	2,631	2,265
Other creditors	1,381	2,043	-	-
	62,004	54,873	60,623	52,830

Investor loan notes comprise £13.5m (2014: £13.5m) of subordinated secured loan notes and £13.5m (2014: £13.5m) of subordinated unsecured loan notes, which expire in September 2019. Interest accrues on these loan notes at 10% (2014: 10%) and no interest was paid during the years ended 31 March 2015 and 31 March 2014.

Management loan notes comprise £1.1m (2014: £1.03m) of subordinated secured loan notes and £1.1m (2014: £1.03m) of subordinated unsecured loan notes, which expire in September 2019. Interest accrues on these loan notes at 10% (2014: 10%) and no interest was paid during the years ended 31 March 2015 and 31 March 2014.

Other creditors include £0.8m (2014: £1.4m) 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 and £0.5m (2014: £nil) relating to a payment received to reduce the term of the lease at Kensington Place. This will be amortised over the period to the next rent review.

Bank loans

The bank loans are repayable as follows:

	Unitranche Facility		Total	
	2015	**2014**	**2015**	**2014**
	£'000	**£'000**	**£'000**	**£'000**
Within two to five years	26,908	22,956	26,908	22,956
At 1 April 2014	26,908	22,956	26,908	22,956
Deferred issue costs	(1,580)	(2,018)	(1,580)	(2,018)
At 31 March 2015	25,328	20,938	25,328	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 (2014: £25.0m) unitranche facility repayable on 18 April 2018. £25.0m (2014: £22.5m) drawn at the Balance Sheet date; interest is calculated at LIBOR + 9% (2014: 9%) (subject to a LIBOR floor of 1% (2014: 1%)). The coupon is split between LIBOR +5% (2014: 5%) interest payable and 4% accrued interest (2014: 4%), which is added to the loan.

18. Provisions for liabilities and charges

Group	Deferred tax £'000
At 1 April 2014	1,270
Deferred tax charge in Group profit and loss account (note 9 (a))	412
Exchange difference on brought forward assets	40
At 31 March 2015	1,722

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

	2015 £'000	2014 £'000
Accelerated capital allowances	1,114	1,163
Losses carried forward	(78)	(26)
Other timing differences	686	133
Provision for deferred tax	1,722	1,270

19. 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	2015 £'000	2014 £'000
Interest rate swap contracts	17,500	64	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 (2014: £17.5m) have fixed interest payments at an average rate of 1.17% (2014: 1.17%) for periods up until 2016 and have floating interest receipts of LIBOR plus 2% (2014: 2%).

Panther Partners Limited

Notes to the financial statements (continued)
For the year ended 31 March 2015

20. Issued share capital

	2015	2014
Allotted, called up and fully paid		
8,949,636 A1 shares of £0.002 each	18	18
11,050,364 A2 shares of £0.002 each	22	22
2,028,985 'B' ordinary shares of £0.01 each	20	20
6,825,325 'C' ordinary shares of £0.01 each	69	62
	129	122
Share premium account	160	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 131,277 (2014: 710,997) unallocated 'C' shares with a nominal value of £1,313 (2014: £7,110).

On 16 October 2014 the Company allotted additional C shares, with a nominal value of £5,797.

21. 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 £'000
Group				
At 1 April 2014	122	160	(4,673)	(4,391)
Issued during the year	7	-	-	7
Exchange difference on net assets of subsidiaries	-	-	101	101
Loss attributable to members of the parent undertaking	-	-	(3,359)	(3,359)
At 31 March 2015	129	160	(7,931)	(7,642)

Panther Partners Limited

Notes to the financial statements (continued)
For the year ended 31 March 2015

21. 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 £'000
Company				
At 1 April 2014	122	160	(2,720)	(2,438)
Issued during the year	7	-	-	7
Loss after taxation	-	-	(932)	(932)
At 31 March 2015	129	160	(3,652)	(3,363)

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

	2015 £'000	2014 £'000
Operating profit	3,787	1,974
Net cash outflow from discontinued operations	-	(893)
Amortisation of intangible fixed assets	1,731	1,559
Depreciation	2,910	3,334
(Increase) in stocks	(343)	(72)
(Increase) in debtors	(524)	(2,413)
Increase in creditors	181	1,711
Net cash inflow from operating activities	7,742	5,200

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

	At 1 April 2014 £'000	Cashflow £'000	Other non-cash charges £'000	At 31 March 2015 £'000
Cash in hand	1,911	(472)	-	1,439
Debt due after one year	(53,974)	-	(4,781)	(58,755)
Deferred issue costs	2,018	-	(438)	1,580
Net debt	(50,045)			(55,736)

Panther Partners Limited

Notes to the financial statements (continued)
For the year ended 31 March 2015

24. Operating lease commitments

The Group leases certain land and buildings. The rents payable under these leases are subject to review at intervals specified in the lease.

The current annual rentals under the foregoing leases are as follows:

	2015 £'000	2014 £'000
Operating leases which expire:		
– within 1 year	69	-
– in 2 to 5 years	2,050	936
– after more than 5 years	9,031	8,631
	11,150	9,567

The group has sublet certain property on short and long leases to third parties. The annual commitments due from such leases are set out below:

	2015 £'000	2014 £'000
Operating leases which expire:		
– in 2 to 5 years	1,132	-
– after more than 5 years	-	1,132

25. 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 £24,628,000 (2014: £21,035,000).

The terms of the purchase of the business by Panther Partners Limited provides for further consideration of £3m (2014: £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.

26. Related party transactions

The Company is controlled by the executive management team, with its share capital owned by LDC II LP 68% (2014: 68%)), LDC Parallel II LP 1% (2014: 1%)), management and employees of the company 31% (2014: 29%)) and unallocated share capital 0% (2014: 2%)).

During the period the Company was charged monitoring fees by LDC of £100,000 (2014: £100,000) and the amount outstanding at the balance sheet date was £8,333 (2014: £8,333).

27. Post balance sheet events

On 8 May 2015 a fire at 100 Wardour Street led to the closure of Floridita and Carom in which the Company holds investments. The site is expected to re-open in January 2016, but the likely costs of reinstatement and any recoverable amounts have not yet been quantified.