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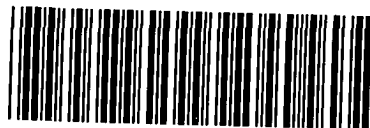
**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2018**

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**COMPANY INFORMATION**

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|                            |   |
|----------------------------|---|
| <b>Directors</b>           | V Lord<br>S J Walker  |
| <b>Registered number</b>   | 09696503  |
| <b>Registered office</b>   | 4th Floor Ridgefield House<br>John Dalton Street<br>Manchester<br>M2 6JR  |
| <b>Independent auditor</b> | Grant Thornton UK LLP<br>Chartered Accountants & Senior Statutory Auditor<br>4 Hardman Square<br>Spinningfields<br>Manchester<br>M3 3EB |
| <b>Bankers</b>             | HSBC Bank Plc<br>2-4 St Ann's Square<br>Manchester<br>M2 7HD  |
| <b>Solicitors</b>          | DLA Piper UK LLP<br>1 St Peter's Square<br>Manchester<br>M2 3DE   |

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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## GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

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### STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2018

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#### Introduction

The Board is pleased to announce a successful eight month period to March 2018. In summary:

- Restaurant EBITDA, before one-off pre-opening costs, grew £594k (85%) to £1.3m (2017: £0.7m)
- After central cost EBITDA but before one-off pre-opening costs, grew 30% to £582k (2017: £447k)
- The operating loss reduced to £192k (2017: £632k)
- Our fifth Gino My restaurant opened in Camden in October 2017

In the year the Group and some of its people have been recognised at several different awards, including but not limited to:

- Manchester - Best Restaurant at the 2016 English Italian Awards
- Liverpool - Recognised in the Liverpool BID Company's prestigious Mystery Shop Awards, for outstanding service in the leisure and hospitality sector

#### Business review

Sales for the period were £9.4m (2017: £4.0m). This growth was fuelled by the opening of Camden and the additional trading weeks enjoyed at Harrogate and Liverpool both of which opened late in the year ended July 2017. These extra trading weeks were responsible for the increase in restaurant EBITDA from £0.7m in 2017 to £1.3m in the period ended March 2018. To facilitate this growth in the period and into the future we have added to the central team (2018: £709k; 2017: £250k).

After one-off pre-opening costs, depreciation and amortisation the operating loss for the period was £192k versus a loss of £632k in 2017.

Financing costs, at £369k, were in line with the prior period (2017: £365k) which meant the loss before tax was £561k as against £997k in 2017.

Expansion to date has been funded by a combination of bank loans and shareholder loans. In the period these loans increased by £1.5m used to support the opening of Camden. At March 2018 £3.6m of headroom remained in our existing facility to fund further growth.

The Board has great confidence in the trading strength of the Gino brand both UK and internationally and has been encouraged by post year end trading and the securing of a sixth site in Birmingham.

#### Principal risks and uncertainties

The company's financial instruments comprise related party borrowings, cash and various items, such as trade debtors and trade creditors, which arise directly from its operations. The main purpose of these financial instruments is to finance the cost of the company's operations. The Board of directors regularly reviews the financial requirements of the company and the risks associated therewith. The main risks arising from the company's financial instruments are as follows:

##### Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Information in relation to the borrowings of the company is set out in notes 16 and 17.

##### Credit risk

The company's principal financial assets are cash and related party debtors. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit ratings agencies. The credit risk associated with trade debtors is also limited given their insignificant value.

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## GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

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#### Financial key performance indicators

The Board focuses on the following as its key financial performance indicators:

|                | 2018  | 2017  |
|----------------|-------|-------|
| Gross margin % | 71.5% | 71.6% |

Gross margins are reconciled at least monthly between standard and actual and all significant variances are investigated.

Wages are reviewed weekly and corrective action taken real time as soon as adverse variances become apparent.

The Board also review like for like sales and monitor performances against budget on a site by site basis.

#### Other key performance indicators

The Board believes the success of a restaurant is determined by the quality of its people, food, customer service and cleanliness. Sites are ranked on a monthly basis depending on their relative performance against other sites in each area of non-financial performance. The results of the mystery diner visits, internal food audits, cleanliness audits and the people grading system form the basis of these rankings. The sites with the most consistent good performance in each area are rewarded and likewise sites that are consistently poor performers are critically reviewed and corrective action taken.

#### Risk factors

The Board of Directors continually identify, monitor and manage potential risks and uncertainties to the Company. The List below sets out what the directors consider to be the current principal business risks and uncertainties. This list is not presumed to be exhaustive and by its nature is subject to change.

- Increase in price of key raw materials e.g. the duty uplift on alcohol and protein price uplifts resulting from the increase in animal food costs and increase in wages (national minimum wage uplift) would impact the level of costs. Wherever possible, long term, fixed rate contracts are entered into with major suppliers to mitigate the risk of price rises.
- Breakdown in internal control due to fraud and error. Financial controls are designed and implemented to minimise the risk of material fraud and error.

This report was approved by the board on 24 October 2018 and signed on its behalf.

V Lord  
Director



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## GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2018

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The directors present their report and the financial statements for the period ended 31 March 2018.

#### Results and dividends

The loss for the period, after taxation, amounted to £529,892 (2017: loss £997,004).

During the period, the year end has changed from 31 July to 31 March. These accounts are prepared for the 8 month period, from 1 August 2017 to 31 March 2018.

The directors did not propose a dividend in 2018 or 2017.

#### Principal activity

The principal activity of the company is that of operating licensed restaurants.

#### Directors

The directors who served during the period were:

V Lord  
S J Walker

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**Employee involvement**

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information. Employees participate directly in the success of the business through the company's bonus scheme.

**Post balance sheet events**

There have been no significant events affecting the company since the year end.

**Disclosure of information to auditor**

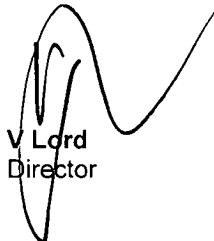
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 October 2018 and signed on its behalf.

  
V Lord  
Director



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GINO D'ACAMPO WORLDWIDE  
RESTAURANTS LIMITED**

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### **Opinion**

We have audited the financial statements of Gino D'Acampo Worldwide Restaurants Limited for the period ended 31 March 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Who we are reporting to**

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.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GINO D'ACAMPO WORLDWIDE  
RESTAURANTS LIMITED (CONTINUED)**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report by the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GINO D'ACAMPO WORLDWIDE  
RESTAURANTS LIMITED (CONTINUED)**

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**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

*Grant Thornton UK LLP*

Carl Williams  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor  
Manchester  
Date: 24/10/18

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2018**

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|                                      | Note | 8 months to<br>31 March<br>2018<br>£ | 31 July<br>2017<br>£ |
|--------------------------------------|------|--------------------------------------|----------------------|
| Turnover - continuing operations     | 4    | 9,362,011                            | 3,984,117            |
| Cost of sales                        |      | (2,663,624)                          | (1,130,170)          |
| <b>Gross profit</b>                  |      | <b>6,698,387</b>                     | <b>2,853,947</b>     |
| Administrative expenses              |      | (6,890,782)                          | (3,486,113)          |
| <b>Operating loss</b>                | 5    | <b>(192,395)</b>                     | <b>(632,166)</b>     |
| Interest payable and expenses        | 8    | (368,788)                            | (364,838)            |
| <b>Loss before tax</b>               |      | <b>(561,183)</b>                     | <b>(997,004)</b>     |
| Tax on loss                          | 9    | 31,291                               | -                    |
| <b>Loss for the financial period</b> |      | <b>(529,892)</b>                     | <b>(997,004)</b>     |

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 12 to 29 form part of these financial statements.

**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**  
**REGISTERED NUMBER:09696503**

**BALANCE SHEET**  
**AS AT 31 MARCH 2018**

|   | Note | 31 March<br>2018<br>£     | 31 July<br>2017<br>£    |
|---|------|---------------------------|-------------------------|
| <b>Fixed assets</b>                                     |      |                           |                         |
| Intangible assets                                       | 10   | 133,922                   | 138,451                 |
| Tangible assets   | 11   | 8,598,760                 | 7,280,979               |
|   |      | <u>8,732,682</u>          | <u>7,419,430</u>        |
| <b>Current assets</b>                                   |      |                           |                         |
| Stocks  | 12   | 197,533                   | 186,445                 |
| Debtors: amounts falling due after more than one year   | 13   | 100,000                   | 100,000                 |
| Debtors: amounts falling due within one year            | 13   | 1,737,475                 | 1,148,573               |
| Cash at bank and in hand                                | 14   | 517,388                   | 1,148,988               |
|   |      | <u>2,552,396</u>          | <u>2,584,006</u>        |
| Creditors: amounts falling due within one year          | 15   | (3,361,175)               | (3,046,347)             |
| <b>Net current liabilities</b>                          |      | <u>(808,779)</u>          | <u>(462,341)</u>        |
| <b>Total assets less current liabilities</b>            |      | <u>7,923,903</u>          | <u>6,957,089</u>        |
| Creditors: amounts falling due after more than one year | 16   | (9,450,699)               | (7,953,993)             |
| <b>Net liabilities</b>                                  |      | <u><u>(1,526,796)</u></u> | <u><u>(996,904)</u></u> |
| <b>Capital and reserves</b>                             |      |                           |                         |
| Called up share capital                                 | 21   | 100                       | 100                     |
| Profit and loss account                                 | 22   | (1,526,896)               | (997,004)               |
|   |      | <u><u>(1,526,796)</u></u> | <u><u>(996,904)</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
**24 October 2018**

**V Lord**  
Director

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2018**

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|  | Called up<br>share capital | Profit and<br>loss account | Total equity       |
|--|----------------------------|----------------------------|--------------------|
|  | £                          | £                          | £                  |
| <b>At 1 August 2016</b>                          | <b>1</b>                   | <b>-</b>                   | <b>1</b>           |
| <b>Comprehensive income for the year</b>         |                            |                            |                    |
| Loss for the year                                | -                          | (997,004)                  | (997,004)          |
| <b>Total comprehensive income for the year</b>   | <b>-</b>                   | <b>(997,004)</b>           | <b>(997,004)</b>   |
| Shares issued during the year                    | 99                         | -                          | 99                 |
| <b>Total transactions with owners</b>            | <b>99</b>                  | <b>-</b>                   | <b>99</b>          |
| <b>At 1 August 2017</b>                          | <b>100</b>                 | <b>(997,004)</b>           | <b>(996,904)</b>   |
| <b>Comprehensive income for the period</b>       |                            |                            |                    |
| Loss for the period                              | -                          | (529,892)                  | (529,892)          |
| <b>Total comprehensive income for the period</b> | <b>-</b>                   | <b>(529,892)</b>           | <b>(529,892)</b>   |
| <b>Total transactions with owners</b>            | <b>-</b>                   | <b>-</b>                   | <b>-</b>           |
| <b>At 31 March 2018</b>                          | <b>100</b>                 | <b>(1,526,896)</b>         | <b>(1,526,796)</b> |

**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2018**

|   | <b>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|---|--------------------------------|-------------------------------|
| <b>Cash flows from operating activities</b>                     |                                |                               |
| Loss for the financial period                                   | (529,892)                      | (997,004)                     |
| <b>Adjustments for:</b>   |                                |                               |
| Amortisation of intangible assets                               | 4,529                          | -                             |
| Depreciation of tangible assets                                 | 411,153                        | 157,023                       |
| Interest paid   | 306,083                        | 364,838                       |
| Taxation charge   | (31,291)                       | -                             |
| Increase in stocks  | (11,088)                       | (186,445)                     |
| Increase in debtors   | (557,617)                      | (1,279,863)                   |
| Increase/(decrease) in creditors                                | 312,787                        | 3,066,512                     |
| <b>Net cash (used in)/generated from operating activities</b>   | <b>(95,336)</b>                | <b>1,125,061</b>              |
| <b>Cash flows from investing activities</b>                     |                                |                               |
| Purchase of intangible fixed assets                             | -                              | (142,000)                     |
| Purchase of tangible fixed assets                               | (1,729,033)                    | (7,434,453)                   |
| <b>Net cash used in investing activities</b>                    | <b>(1,729,033)</b>             | <b>(7,576,453)</b>            |
| <b>Cash flows from financing activities</b>                     |                                |                               |
| Issue of ordinary shares  | -                              | 99                            |
| New secured bank loans  | -                              | 5,916,265                     |
| Repayment of secured bank loans                                 | (5,916,265)                    | -                             |
| New shareholder loan notes                                      | -                              | 2,000,000                     |
| Repayment of shareholder loan notes                             | (2,000,000)                    | -                             |
| Repayment of/new finance leases                                 | (2,935)                        | 48,854                        |
| Interest paid   | (306,083)                      | (364,838)                     |
| New other loans and other loan notes                            | 9,418,052                      | -                             |
| <b>Net cash generated from financing activities</b>             | <b>1,192,769</b>               | <b>7,600,380</b>              |
| <b>Net (decrease)/increase in cash and cash equivalents</b>     | <b>(631,600)</b>               | <b>1,148,988</b>              |
| Cash and cash equivalents at beginning of period                | 1,148,988                      | -                             |
| <b>Cash and cash equivalents at the end of period</b>           | <b>517,388</b>                 | <b>1,148,988</b>              |
| <b>Cash and cash equivalents at the end of period comprise:</b> |                                |                               |
| Cash at bank and in hand  | 517,388                        | 1,148,988                     |

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## GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

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#### 1. General information

Gino D'Acampo Worldwide Restaurants Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Ridgefield House 4th Floor, John Dalton Street, Manchester, M2 6JR.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The financial statements are presented in sterling (£).

The following principal accounting policies have been applied:

##### 2.2 Going concern

The Directors consider that the financial statements should be considered on the going concern basis as they believe that the Company is capable of meeting its liabilities as they fall due.

Although the company made a loss in the period and has net liabilities, the Directors have looked at the forecasts of the company, and coupled with the financing already in place to enable further expansion of the business are satisfied that the company has sufficient funds to meet its liabilities as they fall due.

The shareholders have also provided support to the company by way of matched loans to the bank debt provided through a related party undertaking (Gino D'Acampo Worldwide Restaurants Finco Limited). They will continue to provide support through additional funding and personal guarantees as required.

It is the opinion of the Directors that forecasted results will be achieved and that the company will continue to attract customers to its restaurants. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

##### 2.3 Revenue

Turnover which is stated net of VAT, relates to services provided at restaurants and bars and occurs entirely within the United Kingdom.

Turnover which relates to income received from customers who eat and drink in the restaurants is recognised on the day the event occurs. Turnover received in advance (deposits) is held as a liability on the balance sheet until the customer eats or drinks in the restaurants.

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## GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

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## 2. Accounting policies (continued)

### 2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

|                |   |    |       |
|----------------|---|----|-------|
| Franchise fees | - | 10 | years |
|----------------|---|----|-------|

### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

|                       |   |     |
|-----------------------|---|-----|
| Fixtures and fittings | - | 10% |
| Office equipment      | - | 25% |
| Building improvements | - | 5%  |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

### 2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.



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## GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

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## 2. Accounting policies (continued)

### 2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

### 2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.11 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.12 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.13 Leased assets: the company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.14 Pensions**

**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**2.15 Borrowing costs**

All other borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

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## GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

##### 2.17 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.18 Pre-opening costs

Pre-opening costs are recognised in advance of the opening of restaurants and include expenditure incurred up to statement of financial position date and are charged to the profit and loss account.

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**2.19 Supplier Income**

Supplier income is recognised as a deduction from cost of sales on an accruals basis, calculated based on the expected entitlement that has been earned up to the balance sheet date for each relevant supplier contract.

The accrued incentives, received at year end are included within accrued income. Where amounts are received in the expectation of future events, these are recognised in the statement of income and retained earnings in line with that future business after the performance obligation is met.

**2.20 Loyalty scheme**

As Club Individual points are issued to customers the retail fair value of those points expected to be redeemed is deferred. When the points are used by customers they are recorded as revenue.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The following judgements have had the most significant effect upon amounts recognised in the financial statements:

**Impairment of tangible fixed assets**

At the end of the reporting period, management undertake an assessment of the net book values of tangible fixed assets, based upon their knowledge of the performance of sites and the condition of the tangible assets. Where necessary, an impairment is recognised in the profit or loss account.

The actual recoverable amount may differ from the assessment of net book value.

**Useful economic life of tangible fixed assets**

The useful economic life of tangible fixed assets is assessed based on the class of asset. The useful economic life is assessed at the end of the reporting period, in conjunction with the impairment review, to determine whether the estimates are still appropriate.

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

|                      | <b>8 months to<br/>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|----------------------|--|-------------------------------|
| Food and drink sales | <b>9,362,011</b>                               | <b>3,984,117</b>              |

All turnover arose within the United Kingdom.

**5. Operating loss**

The operating loss is stated after charging:

|   | <b>8 months to<br/>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|---|--|-------------------------------|
| Depreciation of tangible fixed assets                 | <b>411,252</b>                                 | <b>153,474</b>                |
| Amortisation of intangible assets, including goodwill | <b>4,529</b>                                   | <b>3,549</b>                  |
| Other operating lease rentals                         | <b>598,338</b>                                 | <b>234,181</b>                |
| Pre-opening costs                                     | <b>253,264</b>                                 | <b>921,966</b>                |

**6. Auditor's remuneration**

|   | <b>8 months to<br/>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|---|--|-------------------------------|
| Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements | <b>17,000</b>                                  | <b>15,500</b>                 |

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**7. Employees**

Staff costs were as follows:

|                                     | <b>8 months to<br/>31 March<br/>2018<br/>£</b> | <i>31 July<br/>2017<br/>£</i> |
|-------------------------------------|--|-------------------------------|
| Wages and salaries                  | <b>2,966,765</b>                               | <i>1,421,926</i>              |
| Social security costs               | <b>233,903</b>                                 | <i>123,446</i>                |
| Cost of defined contribution scheme | <b>2,496</b>                                   | <i>-</i>                      |
|                                     | <b><u>3,203,164</u></b>                        | <i><u>1,545,372</u></i>       |

The average monthly number of employees, including the directors, during the period was as follows:

|                  | <b>8<br/>months to<br/>31<br/>March<br/>2018<br/>No.</b> | <i>31<br/>July<br/>2017<br/>No.</i> |
|------------------|--|-------------------------------------|
| Restaurant staff | <b>283</b>   | <i>126</i>                          |
| Admin            | <b>3</b>   | <i>1</i>                            |
|                  | <b><u>286</u></b>  | <i><u>127</u></i>                   |

Included within the total employee cost above is £636,794 (2017: £478,344) (Wages & salaries of £598,060 (2017: £445,926) and National Insurance contributions of £38,734 (2017: £32,417)) relating to employees solely working for Gino D'Acampo Worldwide Restaurants Limited but contracted through a related party company. This cost represents on average 60 employees who are included in the total staff numbers.

The Directors are not remunerated through this company.

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**8. Interest payable and similar expenses**

|                                  | <b>8 months to<br/>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|----------------------------------|--|-------------------------------|
| Bank interest payable            | 86,926   | 168,844                       |
| Other loan interest payable      | 86,006   | -                             |
| Other loan note interest payable | 133,151  | 168,082                       |
| Amortisation of refinancing fees | 62,705   | 27,912                        |
|                                  | <u>368,788</u>                                 | <u>364,838</u>                |

**9. Taxation**

|   | <b>8 months to<br/>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|---|--|-------------------------------|
| <b>Total current tax</b>                                | <u>-</u>                                       | <u>-</u>                      |
| <b>Deferred tax</b>                                     |  |                               |
| Origination and reversal of timing differences          | (31,291)                                       | -                             |
| <b>Total deferred tax</b>                               | <u>(31,291)</u>                                | <u>-</u>                      |
| <b>Taxation on (loss)/profit on ordinary activities</b> | <u>(31,291)</u>                                | <u>-</u>                      |

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GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018

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9. Taxation (continued)

**Factors affecting tax charge for the period/year**

The tax assessed for the period is higher than (2017: *lower than*) the standard rate of corporation tax in the UK of 19% (2017: 19.75%). The differences are explained below:

|   | 8 months to<br>31 March<br>2018<br>£ | 31 July<br>2017<br>£ |
|---|--------------------------------------|----------------------|
| Loss on ordinary activities before tax  | (561,183)                            | (997,004)            |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.75%) | (106,625)                            | (196,908)            |
| <b>Effects of:</b>  |                                      |                      |
| Expenses not deductible for tax purposes  | 28,191                               | 18,362               |
| Capital allowances for period/year in excess of depreciation  | (7,735)                              | (22,146)             |
| Deferred tax not recognised   | 54,878                               | 200,692              |
| <b>Total tax charge for the period/year</b>   | <b>(31,291)</b>                      | <b>-</b>             |

**Factors that may affect future tax charges**

The company has tax losses carried forward of £1,297,046 (2017: £1,016,162) to be used against future taxable profits. A deferred tax asset has not been recognised against these losses.

The Finance Act 2016 was enacted in the prior year which implemented a reduction in the corporation tax rate from 20% to 17% with effect from 1 April 2020.



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GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018

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10. Intangible assets

|                        | Franchise<br>fee<br>£ |
|------------------------|-----------------------|
| <b>Cost</b>            |                       |
| At 1 August 2017       | 142,000               |
| At 31 March 2018       | <u>142,000</u>        |
| <b>Amortisation</b>    |                       |
| At 1 August 2017       | 3,549                 |
| Charge for the year    | 4,529                 |
| At 31 March 2018       | <u>8,078</u>          |
| <b>Net book value</b>  |                       |
| At 31 March 2018       | <u><u>133,922</u></u> |
| <i>At 31 July 2017</i> | <u><u>138,451</u></u> |

**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

**11. Tangible fixed assets**

|                                       | Building<br>improvements<br>£ | Fixtures and<br>fittings<br>£ | Office<br>equipment<br>£ | Total<br>£              |
|---------------------------------------|-------------------------------|-------------------------------|--------------------------|-------------------------|
| <b>Cost</b>                           |                               |                               |                          |                         |
| At 1 August 2017                      | 5,086,329                     | 2,252,790                     | 95,334                   | 7,434,453               |
| Additions                             | 527,994                       | 1,009,052                     | 191,987                  | 1,729,033               |
| At 31 March 2018                      | <u>5,614,323</u>              | <u>3,261,842</u>              | <u>287,321</u>           | <u>9,163,486</u>        |
| <b>Depreciation</b>                   |                               |                               |                          |                         |
| At 1 August 2017                      | 76,469                        | 70,027                        | 6,978                    | 153,474                 |
| Charge for the period on owned assets | 150,870                       | 223,877                       | 36,505                   | 411,252                 |
| At 31 March 2018                      | <u>227,339</u>                | <u>293,904</u>                | <u>43,483</u>            | <u>564,726</u>          |
| <b>Net book value</b>                 |                               |                               |                          |                         |
| At 31 March 2018                      | <u><u>5,386,984</u></u>       | <u><u>2,967,938</u></u>       | <u><u>243,838</u></u>    | <u><u>8,598,760</u></u> |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

|                                   | 31 March<br>2018<br>£ | 31 July<br>2017<br>£ |
|-----------------------------------|-----------------------|----------------------|
| Furniture, fittings and equipment | <u><u>55,760</u></u>  | <u><u>53,940</u></u> |

**12. Stocks**

|                           | 31 March<br>2018<br>£ | 31 July<br>2017<br>£  |
|---------------------------|-----------------------|-----------------------|
| Restaurant and bar stocks | <u><u>197,533</u></u> | <u><u>186,445</u></u> |

Stock recognised in cost of sales during the period as an expense was £2,666,353 (2017: £1,236,541) .

An impairment loss of £Nil (2017: £Nil) was recognised in cost of sales against stock during the period due to slow-moving and obsolete stock.

**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

**13. Debtors**

|                                     | <b>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|-------------------------------------|--------------------------------|-------------------------------|
| <b>Due after more than one year</b> |                                |                               |
| Prepayments and accrued income      | <b>100,000</b>                 | <b>100,000</b>                |
|                                     | <b>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
| <b>Due within one year</b>          |                                |                               |
| Trade debtors                       | <b>3,500</b>                   | <b>254</b>                    |
| Amounts owed by related parties     | <b>512,646</b>                 | <b>215,289</b>                |
| Other debtors                       | <b>-</b>                       | <b>242,013</b>                |
| Prepayments and accrued income      | <b>1,190,038</b>               | <b>691,017</b>                |
| Deferred taxation                   | <b>31,291</b>                  | <b>-</b>                      |
|                                     | <b>1,737,475</b>               | <b>1,148,573</b>              |

An impairment loss of £Nil (2017: £Nil) was recognised against trade debtors.

**14. Cash and cash equivalents**

|                          | <b>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|--------------------------|--------------------------------|-------------------------------|
| Cash at bank and in hand | <b>517,388</b>                 | <b>1,148,988</b>              |

**15. Creditors: Amounts falling due within one year**

|   | <b>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|---|--------------------------------|-------------------------------|
| Trade creditors   | <b>1,307,384</b>               | <b>1,175,476</b>              |
| Amounts owed to other participating interests               | <b>26,874</b>                  | <b>1,098,092</b>              |
| Other taxation and social security                          | <b>1,004,091</b>               | <b>33,995</b>                 |
| Obligations under finance lease and hire purchase contracts | <b>13,167</b>                  | <b>11,126</b>                 |
| Accruals and deferred income                                | <b>1,009,659</b>               | <b>727,658</b>                |
|   | <b>3,361,175</b>               | <b>3,046,347</b>              |

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**16. Creditors: Amounts falling due after more than one year**

|  | <b>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|--|--------------------------------|-------------------------------|
| Bank loans   | -                              | 5,916,265                     |
| Shareholder loan notes   | -                              | 2,000,000                     |
| Other loans  | <b>7,043,052</b>               | -                             |
| Other loan notes   | <b>2,375,000</b>               | -                             |
| Net obligations under finance leases and hire purchase contracts | <b>32,647</b>                  | 37,728                        |
|  | <u><b>9,450,699</b></u>        | <u><b>7,953,993</b></u>       |

The bank loans and shareholder loan notes from the prior year have been settled in the year and replaced with the following financing arrangements:

**Other loans**

Interest is payable at a rate of 3.75% above LIBOR and the loan is repayable after 3 years from November 2017. Interest of £86,006 (2017: £Nil) was charged to the Statement of Comprehensive Income.

The other loans balance is payable to Gino D'Acampo Worldwide Restaurants Finco Limited, an entity related by common shareholders. Gino D'Acampo Worldwide Restaurants Finco Limited has on-lent monies drawn down on a facility with HSBC Bank Plc.

The other loans are secured by way of a guarantee against the assets of the business. Refer to note 23 for details of the cross guarantee.

**Other loan notes**

The other loan notes are unsecured debt and accrue interest at 10% and a charge of £133,151 (2017: £168,082) was charged to the Statement of Comprehensive Income.

The other loan notes are repayable to Gino D'Acampo Worldwide Restaurants Finco Limited, an entity related by common shareholders. Gino D'Acampo Worldwide Restaurants Finco Limited has on-lent monies drawn down facilities with M Walker and T Dhaliwal (Shareholders of both entities) by way of shareholder loan notes.

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GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018

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**17. Loans**

Analysis of the maturity of loans is given below:

|                                      | <b>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|--------------------------------------|--------------------------------|-------------------------------|
| <b>Amounts falling due 2-5 years</b> |                                |                               |
| Bank loans                           | -                              | 5,916,265                     |
| Shareholder loan notes               | -                              | 2,000,000                     |
| Other loans                          | 7,043,052                      | -                             |
| Other loan notes                     | 2,375,000                      | -                             |
|                                      | <u>9,418,052</u>               | <u>7,916,265</u>              |

**18. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

|                   | <b>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|-------------------|--------------------------------|-------------------------------|
| Within one year   | 13,167                         | 11,126                        |
| Between 1-2 years | 32,647                         | 11,126                        |
| Between 2-5 years | -                              | 26,602                        |
|                   | <u>45,814</u>                  | <u>48,854</u>                 |

The hire purchase and finance lease liabilities are secured on the assets to which they relate.

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**19. Financial instruments**

|  | <b>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|--|--------------------------------|-------------------------------|
| <b>Financial assets</b>                          |                                |                               |
| Financial assets measured at amortised cost      | <u><b>1,033,534</b></u>        | <u><b>1,364,531</b></u>       |
| <b>Financial liabilities</b>                     |                                |                               |
| Financial liabilities measured at amortised cost | <u><b>(11,761,969)</b></u>     | <u><b>(10,917,491)</b></u>    |

Financial assets measured at amortised cost comprise of all current debtors (other than prepayments) and cash and cash equivalent balances.

Financial liabilities measured at amortised cost comprise of all current and non-current liabilities (other than tax liabilities and finance lease liabilities).

**20. Deferred taxation**

|                           | <b>2018<br/>£</b>    |
|---------------------------|----------------------|
| Charged to profit or loss | <u><b>31,291</b></u> |
| <b>At end of year</b>     | <u><b>31,291</b></u> |

The deferred tax asset is made up as follows:

|                                | <b>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|--------------------------------|--------------------------------|-------------------------------|
| Accelerated capital allowances | <u><b>31,291</b></u>           | <u><b>-</b></u>               |
|                                | <u><b>31,291</b></u>           | <u><b>-</b></u>               |

**21. Share capital**

|   | <b>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|---|--------------------------------|-------------------------------|
| <b>Allotted, called up and fully paid</b> |                                |                               |
| 10,000 Ordinary shares of £0.01 each      | <u><b>100</b></u>              | <u><b>100</b></u>             |

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**21. Share capital (continued)**

During the prior year the ordinary share of £1 was divided into 100 shares of £0.01p. On 31 August 2015 a further 9,900 shares were issued at £0.01p.

**22. Reserves**

**Profit and loss account**

Includes all current losses.

**23. Contingent liabilities**

The company is party to a cross guarantee dated 23 November 2017 to HSBC Bank Plc as security for related party loans between Gino D'Acampo Worldwide Restaurants Finco Limited and HSBC Bank Plc. As at the balance sheet date the maximum indebtedness under the guarantee was £12,000,000 (2017: £Nil).

**24. Capital commitments**

The company had capital commitments as at 31 March 2018 of £Nil (2017: £172,875) in relation to purchases for fittings to the restaurants.

**25. Pension commitments**

The company operates a defined contribution pension scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in funds independent of those of the group. The pension cost charge in the year was £2,496 (2017: £Nil).

**26. Commitments under operating leases**

At 31 March 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

|  | <b>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|--|--------------------------------|-------------------------------|
| Not later than 1 year                        | 992,866                        | 682,900                       |
| Later than 1 year and not later than 5 years | 3,971,464                      | 2,731,600                     |
| Later than 5 years                           | 14,264,327                     | 10,231,854                    |
|  | <u>19,228,657</u>              | <u>13,646,354</u>             |

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**GINO D'ACAMPO WORLDWIDE RESTAURANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**27. Related party transactions**

Included within the debtors and creditors notes are balances due from/(to) related parties. The companies are related through common ownership. The balances as at 31 March 2018 are as follows:

|  | <b>31 March<br/>2018<br/>£</b> | <b>31 July<br/>2017<br/>£</b> |
|--|--------------------------------|-------------------------------|
| <b>Amounts due from/(to) related parties</b>                       |                                |                               |
| Restaurant Bar & Grill Limited                                     | <b>123,064</b>                 | <b>(1,096,243)</b>            |
| Gino Worldwide Restaurants Finco Limited - short term debtor       | <b>140,000</b>                 | -                             |
| Gino Worldwide Restaurants Finco Limited - long term liability (*) | <b>(9,418,052)</b>             | -                             |
| Shareholder loan notes (**)  | -                              | <b>(2,000,000)</b>            |
| Gino D'Acampo Restaurants LLP                                      | <b>180,301</b>                 | -                             |
| Retail Restaurants Limited   | <b>(26,874)</b>                | <b>60,813</b>                 |
| The Pasta Bar Specialists Limited                                  | <b>67,991</b>                  | <b>49,139</b>                 |
| Aldpic Limited   | -                              | <b>(1,849)</b>                |
| Casual Restaurants Limited   | -                              | <b>105,338</b>                |
| Iceland Foods Limited  | <b>1,290</b>                   | -                             |
|  | <b><u>(8,932,280)</u></b>      | <b><u>(2,882,802)</u></b>     |

Transactions with related parties during the year was as follows:

Recharges to Restaurant Bar and Grill Limited totalled £975,285 (2017: £Nil), Purchases from Restaurant Bar and Grill Limited totalled £574,805 (2017: £3,376,158), including fixed assets of £Nil (2017: £2,552,184).

Purchases from The Pasta Bar Specialists Limited totalled £18,852 (2017: £49,139).

Recharges to Aldpic Limited totalled £1,849 (2017: £Nil). Purchases from Casual Restaurants Limited totalled £Nil (2017: £1,849).

Recharges from Casual Restaurants Limited totalled £105,338 (2017: £Nil). Purchases from Casual Restaurants Limited totalled £Nil (2017: £105,338).

\* Included within long term creditors is £9,418,052 payable to Gino D'Acampo Worldwide Restaurants Finco Limited. Details of the amounts are shown in note 16 to the accounts.

\*\* The shareholder loan notes were held with T Dhaliwal and M Walker at 31 July 2017 and have been replaced with Other loan notes which are included within the long term liability payable to Gino D'Acampo Worldwide Restaurants Finco Limited. Details of the loans are shown in note 16 to the accounts.

**28. Controlling party**

There is no controlling party.