

Financial Statements

New World Trading Company (UK) Holdings Limited

For the year ended 31 March 2016



Registered number: 08413570

New World Trading Company (UK) Holdings Limited
Registered number:08413570

Company Information

Directors	R T Barley C Hill M Bamber
Registered number	08413570
Registered office	98 King Street Knutsford Cheshire WA16 6HQ
Independent auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
Bankers	Bank of Scotland 40 Spring Gardens Manchester M2 1EN
Solicitors	Pinsent Masons LLP 3 Colmore Circus Birmingham B4 6BH

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Group Strategic Report

For the Year Ended 31 March 2016

Business review and future developments

The group has had an excellent year opening seven new sites including four new Botanist sites in Birmingham, Marlow, Farnham and Knutsford; two Trading Houses in London and Glasgow; and the Club House in Liverpool. The group is due to open two new Botanist sites in Sheffield and York over the next few months. The pipeline of new sites is very strong with an expectation of opening four new sites in total during the next financial year. During the year, we secured £5.0million of further banking facilities from Lloyds Banking Group to help fund and accelerate our expansion plans.

All sites are trading well and this has continued throughout 2016 and we look forward to reporting significant growth for the coming year.

We are proud that the group and our staff continue to be recognised for our high standards of service and the quality of our offering. NWTC won a number of prestigious accolades this year including Best Employer as well as retaining our award as Best Managed Pub Company. Our CEO, Chris Hill, was recognised as the industry's Rising Star at Retailers' Retailer Awards. Smuggler's Cove also won an award for Best Spirits Menu as well as a Guinness World Record for the world's longest Rum menu.

On 8 June 2016, the business was acquired by Graphite Capital and the management team for £50 million.

Principal risks and uncertainties

The group uses various financial instruments these include bank loans, cash and other items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The main risks arising from the group's financial instruments are summarised below and have remained unchanged from the previous year.

Financial risk

The group uses a number of financial instruments, including share capital, investor loans and bank loans to raise finance for the group's operation and expansion.

Market risk

Market risk encompasses two types of risk, being currency risk and fair value interest rate risk. The group's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection "interest rate risk" below.

Interest rate risk

The group finances its operations through a combination of retained profits and loans from group companies. The directors therefore consider the group's exposure to interest rate fluctuation to be minimal.

Liquidity risk

The group seeks to manage liquidity risk by careful planning of cashflows to ensure there is sufficient headroom in cash balances and arranging bank loans to support the future growth of the business.

Other risks

Management monitor other risks and uncertainties within the business, including competition, restaurant performance and the current economic conditions.

New World Trading Company (UK) Holdings Limited
Registered number:08413570

Group Strategic Report (continued)

For the Year Ended 31 March 2016

Financial key performance indicators

The group uses a number of key performance indicators when assessing and driving performance. The key financial and non-financial performance indicators are comparison against budget and prior year performance, gross margin, wages as a proportion of sales and EBITDA per restaurant.

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



R Barley

Director

Date: 01/08/2016

Directors' Report

For the Year Ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors

The directors who served during the year were:

R T Barley (appointed 29 July 2015)
T A Bacon (passed away 30 April 2016)
J K Roberts (resigned 8 June 2016)
A P Haigh (resigned 8 June 2016)
C Hill
P A Moran (resigned 8 June 2016)
P A Campbell (resigned 8 June 2016)
M Bamber
T B N Farazmand (appointed 30 December 2014, resigned 8 June 2016)

Directors' responsibilities statement

The directors are responsible for preparing the Group 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £737,157 (2015 - £327,149).

The directors have not recommended payment of a dividend in either 2016 or 2015

Directors' Report

For the Year Ended 31 March 2016

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

Post balance sheet events

On 8 June 2016, Graphite Capital acquired the New World Trading Company (UK) Holdings Limited group for consideration of £50 million. As of this date it's immediate parent company became Christopher Bidco Limited, a company incorporated in England and Wales. The ultimate parent company is considered to be Christopher Topco Limited, a company also incorporated in England and Wales.

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 and signed on its behalf.



R Barley

Director

Date: 01/08/2016



Independent Auditor's Report to the Members of New World Trading Company (UK) Holdings Limited

We have audited the financial statements of New World Trading Company (UK) Holdings Limited for the year ended 31 March 2016, which comprise the consolidated statement of income and retained earnings, the consolidated and company statement of financial positions, the consolidated statement of cash flows and the related notes. 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.

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, as set out on page 2 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of the Group's profit 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of New World Trading Company (UK) Holdings Limited

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Carl Williams (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Manchester
Date: 8/8/16

Consolidated Statement of Income and Retained Earnings

For the Year Ended 31 March 2016

	Note	2016 £	2015 £
Turnover	3	30,185,656	17,736,569
Cost of sales		<u>(7,326,987)</u>	<u>(4,548,533)</u>
Gross profit		22,858,669	13,188,036
Administrative expenses		<u>(21,426,369)</u>	<u>(12,390,616)</u>
Operating profit	4	1,432,300	797,420
Interest payable and expenses	8	<u>(484,748)</u>	<u>(289,943)</u>
Profit on ordinary activities before taxation		947,552	507,477
Tax on profit on ordinary activities	9	<u>(210,395)</u>	<u>(180,328)</u>
Profit after tax		<u>737,157</u>	<u>327,149</u>
Retained earnings at the beginning of the year		<u>596,486</u>	<u>269,337</u>
		596,486	269,337
Profit for the year		<u>737,157</u>	<u>327,149</u>
Retained earnings at the end of the year		<u>1,333,643</u>	<u>596,486</u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of income and retained earnings.

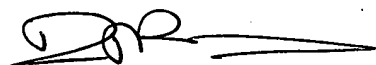
The notes on pages 11 to 29 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	10	2,722,809	2,883,146
Tangible assets	12	15,726,737	8,682,682
		<u>18,449,546</u>	<u>11,565,828</u>
Current assets			
Stocks	14	377,769	201,044
Debtors: amounts falling due within one year	15	1,266,564	742,815
Cash at bank and in hand	16	1,744,574	730,744
		<u>3,388,907</u>	<u>1,674,603</u>
Creditors: amounts falling due within one year	17	(9,225,108)	(4,898,863)
Net current liabilities		<u>(5,836,201)</u>	<u>(3,224,260)</u>
Total assets less current liabilities		<u>12,613,345</u>	<u>8,341,568</u>
Creditors: amounts falling due after more than one year	18	(7,151,703)	(3,984,716)
Provisions for liabilities			
Deferred taxation	21	(623,904)	(256,271)
		<u>(623,904)</u>	<u>(256,271)</u>
Net assets		<u>4,837,738</u>	<u>4,100,581</u>
Capital and reserves			
Called up share capital	22	337	337
Share premium account	23	3,503,758	3,503,758
Profit and loss account	23	1,333,643	596,486
Shareholders' funds		<u>4,837,738</u>	<u>4,100,581</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



R Barley

Director

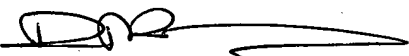
Date: 01/08/2016

Company Statement of Financial Position

As at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	13	3,661,436	3,661,436
		<u>3,661,436</u>	<u>3,661,436</u>
Current assets			
Debtors: amounts falling due within one year	15	2,293,553	2,522,955
		<u>2,293,553</u>	<u>2,522,955</u>
Creditors: amounts falling due within one year	17	(383,149)	(379,406)
		<u>(383,149)</u>	<u>(379,406)</u>
Net current assets		<u>1,910,404</u>	<u>2,143,549</u>
Total assets less current liabilities		<u>5,571,840</u>	<u>5,804,985</u>
Creditors: amounts falling due after more than one year	18	(2,695,857)	(2,695,857)
		<u>(2,695,857)</u>	<u>(2,695,857)</u>
Net assets		<u>2,875,983</u>	<u>3,109,128</u>
Capital and reserves			
Called up share capital	22	337	337
Share premium account	23	3,503,758	3,503,758
Profit and loss account	23	(628,112)	(394,967)
		<u>(628,112)</u>	<u>(394,967)</u>
Shareholders' funds		<u>2,875,983</u>	<u>3,109,128</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



R Barley
Director

Date: 01/08/2016

Consolidated Statement of Cash Flows

For the Year Ended 31 March 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	737,157	327,149
Adjustments for:		
Amortisation of intangible assets	160,337	160,346
Depreciation of tangible assets	1,065,254	474,680
Loss/(profit) on disposal of tangible assets	16,179	1,608
Increase in stocks	(176,725)	(87,299)
Interest paid	481,005	-
Taxation	367,633	61,598
Increase in debtors	(523,751)	(429,333)
Increase in creditors	2,947,137	1,438,057
Net cash generated from operating activities	5,074,226	1,946,806
Cash flows from investing activities		
Purchase of tangible fixed assets	(8,125,488)	(5,349,329)
Net cash from investing activities	(8,125,488)	(5,349,329)
Cash flows from financing activities		
New secured loans	4,546,097	1,422,000
Interest paid	(481,005)	-
Net cash used in financing activities	4,065,092	1,422,000
Net increase / (decrease) in cash and cash equivalents	1,013,830	(1,980,523)
Cash and cash equivalents at beginning of year	730,744	2,711,267
Cash and cash equivalents at the end of year	1,744,574	730,744
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,744,574	730,744
	1,744,574	730,744

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies

1.1 Company information

New World Trading Company (UK) Holdings Limited is a company incorporated in the United Kingdom and its registered office is 98 King Street, Knutsford, Cheshire, WA16 6HQ. The company's principal activity is that of a holding company and the principal activity of the group was the operation of bars and restaurants.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 29.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

1.4 Going concern

After taking into account the current economic uncertainty including the potential implications that Brexit may have on consumer confidence, as well as reviewing the group's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.5 Turnover

Turnover is stated net of Value Added Tax and relates to the goods and services provided at the restaurants and bars and occurs entirely in the UK.

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 is held as a liability on the statement of financial position until the customer eats or drinks in the restaurants. Function deposits and gift vouchers are recognised as turnover when the function occurs or the voucher is tendered.

1.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of income over its useful economic life.

Trademarks

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.

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 five years.

The estimated useful lives range as follows:

Goodwill	-	20	years
Trademarks	-	10	years

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.7 Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

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.

The rates applicable are:

Leasehold property	-	Over 25 years
Fixtures & fittings	-	Over 10 years
Computer equipment	-	Over 4 years

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 within 'other operating income' in the Statement of income and retained earnings.

1.8 Operating leases

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the period of the lease, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

1.9 Investments

Investments in subsidiaries are measured at cost less any accumulated impairment.

1.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price. Cost is based on the cost of purchase on a first in, first out basis after making due allowance for obsolete stock.

1.11 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.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.12 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 Consolidated 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.

1.13 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

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 payables or receivables, 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 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 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 Group would receive for the asset if it were to be sold at the reporting date.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.14 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.

1.15 Finance costs

Finance costs are charged to the statement of 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.

1.16 Pensions

Defined contribution pension plan

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

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

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 reporting date.

1.18 Pre-opening costs

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

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

- depreciation charged to tangible fixed assets in respect of useful economic lives
- amortisation charged to intangible fixed assets in respect of useful economic lives.

Notes to the Financial Statements

For the Year Ended 31 March 2016

3. Analysis of turnover

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

	2016 £	2015 £
Restaurant and bars sales	30,185,656	17,736,569
	<u>30,185,656</u>	<u>17,736,569</u>

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Pre opening costs	851,524	721,993
Depreciation of tangible fixed assets	1,065,254	474,680
Amortisation of intangible assets, including goodwill	160,337	160,662
Operating lease rentals: Plant and machinery	57,871	37,073
Operating lease rentals: Other	1,776,270	990,147
	<u>1,776,270</u>	<u>990,147</u>

5. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Group's auditor in respect of:		
The auditing of accounts of associates of the Group pursuant to legislation	24,000	13,500
Other services relating to taxation	7,000	4,500
	<u>31,000</u>	<u>18,000</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	9,311,326	5,084,631
Social security costs	647,274	401,543
Cost of defined contribution scheme	22,519	-
	<u>9,981,119</u>	<u>5,486,174</u>

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

	2016 No.	2015 No.
Retail (including part time employees)	499	285
Management and administration	101	62
	<u>600</u>	<u>347</u>

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	363,723	202,000
	<u>363,723</u>	<u>202,000</u>

The highest paid director received remuneration of £126,148 (2015 - £112,200).

8. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	243,118	48,884
Loan note interest payable	241,630	241,059
	<u>484,748</u>	<u>289,943</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

9. Taxation on profit on ordinary activities

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	-	47,663
Adjustments in respect of previous periods	(157,238)	(54,119)
	<u>(157,238)</u>	<u>(6,456)</u>
Total current tax	<u>(157,238)</u>	<u>(6,456)</u>
Deferred tax		
Origination and reversal of timing differences	274,346	139,724
Adjustments in respect of prior periods	132,127	47,060
Effect of tax rate change on opening balance	(38,840)	-
Total deferred tax	<u>367,633</u>	<u>186,784</u>
Taxation on profit on ordinary activities	<u>210,395</u>	<u>180,328</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>947,552</u>	<u>507,477</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	<u>189,510</u>	<u>106,570</u>
Effects of:		
Expenses not deductible for tax purposes	42,404	40,086
Capital allowances for year in excess of depreciation	-	(227,811)
Fixed assets differences	72,376	48,751
Income not taxable for tax purposes	-	(1,050)
Adjustments to tax charge in respect of prior periods	(25,111)	(7,059)
Short term timing differences	-	39,471
Deferred tax adjustments	(68,784)	181,370
Total tax charge for the year	<u>210,395</u>	<u>180,328</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

10. Intangible assets

Group

	Trademarks £	Goodwill £	Total £
Cost			
At 1 April 2015	2,838	3,201,316	3,204,154
At 31 March 2016	2,838	3,201,316	3,204,154
Amortisation			
At 1 April 2015	892	320,116	321,008
Charge for the year	271	160,066	160,337
At 31 March 2016	1,163	480,182	481,345
Net book value			
At 31 March 2016	1,675	2,721,134	2,722,809
At 31 March 2015	1,946	2,881,200	2,883,146

11. Parent Company Profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements. The loss after tax of the parent Company for the year was £233,144 (2015 - loss £394,967).

Notes to the Financial Statements

For the Year Ended 31 March 2016

12. Tangible fixed assets

Group

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2015	2,286,224	6,867,809	278,107	9,432,140
Additions	3,775,444	4,079,552	270,492	8,125,488
Disposals	(16,179)	-	(87,552)	(103,731)
At 31 March 2016	<u>6,045,489</u>	<u>10,947,361</u>	<u>461,047</u>	<u>17,453,897</u>
Depreciation				
At 1 April 2015	94,552	596,614	58,292	749,458
Charge owned for the period	110,335	819,338	135,581	1,065,254
Disposals	-	-	(87,552)	(87,552)
At 31 March 2016	<u>204,887</u>	<u>1,415,952</u>	<u>106,321</u>	<u>1,727,160</u>
Net book value				
At 31 March 2016	<u>5,840,602</u>	<u>9,531,409</u>	<u>354,726</u>	<u>15,726,737</u>
At 31 March 2015	<u>2,191,672</u>	<u>6,271,195</u>	<u>219,815</u>	<u>8,682,682</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

13. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
New World Trading Company (UK) Limited	United Kingdom	Ordinary	100 %	Restauraners
Magnolia Bell Limited	United Kingdom	Ordinary	100 %	Non trading
The Oast House Manchester Limited	United Kingdom	Ordinary	100 %	Non trading
New World Pub Company (Leeds) Limited	United Kingdom	Ordinary	100 %	Non trading
Liverpool Lodge Limited	United Kingdom	Ordinary	100 %	Non trading

Company

Investments
in subsidiary
companies
£

Cost or valuation

At 1 April 2015	3,661,436
At 31 March 2016	<u>3,661,436</u>

Net book value

At 31 March 2016	<u>3,661,436</u>
At 31 March 2015	<u><u>3,661,436</u></u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

14. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Restaurant and bar stocks	377,769	201,044	-	-
	<u>377,769</u>	<u>201,044</u>	<u>-</u>	<u>-</u>

Stock recognised in cost of sales during the year as an expense was £7,326,987 (2015: £4,548,533)

No impairment loss was recognised in cost of sales against stock during either year due to slow-moving and obsolete stock

The total carrying amount of stock is pledged as security for the group's bank loans.

15. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Due within one year				
Trade debtors	297,066	120,230	-	-
Amounts owed by group undertakings	-	-	2,254,226	2,492,114
Amounts owed by related parties	71,633	26,158	-	-
Other debtors	306,236	152,864	-	-
Prepayments and accrued income	591,629	443,563	-	-
Deferred taxation	-	-	39,327	30,841
	<u>1,266,564</u>	<u>742,815</u>	<u>2,293,553</u>	<u>2,522,955</u>

No impairment loss was recognised against trade debtors during either year.

16. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	1,744,574	730,744	-	-
	<u>1,744,574</u>	<u>730,744</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

17. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	1,912,251	533,141	-	-
Trade creditors	2,331,456	1,529,893	-	-
Amounts owed to related parties	169,406	117,202	-	-
Taxation and social security	834,046	419,204	-	-
Other creditors	765,123	121,791	-	-
Accruals and deferred income	3,212,826	2,177,632	383,149	379,406
	<u>9,225,108</u>	<u>4,898,863</u>	<u>383,149</u>	<u>379,406</u>

The bank loans are secured by way of a debenture over all assets of the company and there is also a cross guarantee between all of the companies within the New World Trading Company (UK) Holdings Limited group. Interest is charged at LIBOR plus 2.25% plus regulatory costs. The bank loan is repayable in quarterly instalments and by a final bullet repayment at the end of the term.

18. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	4,455,846	1,288,859	-	-
Loan notes	2,695,857	2,695,857	2,695,857	2,695,857
	<u>7,151,703</u>	<u>3,984,716</u>	<u>2,695,857</u>	<u>2,695,857</u>

The bank loans are secured by way of a debenture over all assets of the company and there is also a cross guarantee between all of the companies within the New World Trading Company (UK) Holdings Limited group. Interest is charged at LIBOR plus 2.25% plus regulatory costs. The bank loans are repayable in quarterly instalments and by a final bullet repayment at the end of the term.

On 4 April 2013 the group received funding from private equity funds managed by LDC II IP, LDC Parallel II IP and P Campbell. At the period end, 'A' loans totaling £1,248,838, £12,646 and £34,373 are due in more than one year respectively.

'B' Loan notes in respect of a number of individuals including directors due in more than one year total £1,400,000 at the year end.

At 31 March 2016, loan note interest totalling £383,148 (2014: £379,406) is included within accruals.

Notes to the Financial Statements

For the Year Ended 31 March 2016

19. Loans

Analysis of the maturity of loans is given below:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Due within 1 year				
Bank loans	1,912,251	533,141	-	-
	<u>1,912,251</u>	<u>533,141</u>	<u>-</u>	<u>-</u>
Due within 1-2 years				
Bank loans	1,884,673	533,141	-	-
	<u>1,884,673</u>	<u>533,141</u>	<u>-</u>	<u>-</u>
Due within 2-5 years				
Bank loans	2,571,173	755,718	-	-
Other loans	2,695,857	2,695,857	2,695,857	2,695,857
	<u>5,267,030</u>	<u>3,451,575</u>	<u>2,695,857</u>	<u>2,695,857</u>

20. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Financial assets measured at amortised cost	2,419,509	1,029,996	2,254,226	2,492,114
	<u>2,419,509</u>	<u>1,029,996</u>	<u>2,254,226</u>	<u>2,492,114</u>
Financial liabilities measured at amortised cost	(15,542,766)	(8,464,375)	(3,079,005)	(3,075,263)
	<u>(15,542,766)</u>	<u>(8,464,375)</u>	<u>(3,079,005)</u>	<u>(3,075,263)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and amounts owed by related parties.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors, accruals and amounts owed to related parties.

Notes to the Financial Statements

For the Year Ended 31 March 2016

21. Deferred taxation

Group

	Deferred tax £
At 1 April 2015	(256,271)
Charged to the profit or loss	(367,633)
At 31 March 2016	(623,904)

Company

	Deferred tax £
At 1 April 2015	30,841
Charged to the profit or loss	8,486
At 31 March 2016	39,327

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Accelerated capital allowances	(670,449)	(295,132)	-	-
Short term timing differences	46,545	38,861	39,327	30,841
	(623,904)	(256,271)	39,327	30,841

Notes to the Financial Statements

For the Year Ended 31 March 2016

22. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
13,068 A Ordinary shares of £0.01 each	131	131
20,200 B Ordinary shares of £0.01 each	202	202
399 C Ordinary shares of £0.01 each	4	4
	<hr/>	<hr/>
	337	337
	<hr/>	<hr/>

For each class of share as detailed above, all have the right to one vote for each share held. In relation to dividends, any dividend will be distributed amongst the holders of the shares *pari passu*, in proportion to the shares held.

On distribution of capital, other than pursuant to an insolvent liquidation, the assets of the company remaining after the payment of the liabilities shall be applied and distributed amongst the holders of the shares in firstly paying to the holders of the shares, *pari passu* in proportion to the shares held, until the minimum return is reached.

23. Reserves

Called up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - the profit and loss account includes all current and prior period retained profits.

Share premium account - includes any premium on issued share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

24. Contingent liabilities

New World Trading Company (UK) Holdings Limited is the ultimate parent undertaking of New World Trading Company (UK) Limited. New World Trading Company (UK) Holdings Limited issues £1,300,000 'A' loan stock 2018 and £1,400,000 'B' loan stock 2018 which is secured by way of a debenture incorporating fixed and floating charges over all present and future assets of the company and a composite cross guarantee between New World Trading Company (UK) Holdings Limited, New World Trading Company (UK) Limited, Magnolia Bell Limited, the Oast House Manchester Limited, New World Pub Company (Leeds) Limited and Liverpool Lodge Limited.

25. Capital commitments

As at 31 March 2016 and 31 March 2015, the directors have confirmed that the Group and Company had no capital commitments.

Notes to the Financial Statements

For the Year Ended 31 March 2016

26. Commitments under operating leases

At 31 March 2016 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £
Not later than 1 year	1,773,792	1,317,542
Later than 1 year and not later than 5 years	7,619,250	5,373,000
Later than 5 years	34,153,500	24,325,000
Total	43,546,542	31,015,542

27. Related party transactions

The following companies have common director relationships:

	Sales £	Purchases £	2016 Debtor/ (Creditor) £	2015 Debtor/ (Creditor) £
3rd Place Limited	193	82	230	428
LiveRES Limited	-	-	(2,200)	(5,470)
Newgate Restaurants Limited	16,005	1,929	6,961	541
The Alchemist Bar & Restaurant Limited	26,639	116,686	(2,673)	24,394
Gusto Restaurants Limited	53,589	323,841	11,319	(64,599)
Artisan Manchester Limited	22,101	1,985	10,575	795
Manchester House Bar & Restaurant Limited	264	76	-	(3,712)
Blackhouse Restaurants Limited	48,991	17,186	18,425	(1,740)
Living Ventures Procurement Limited	9,281	1,571,565	(164,533)	(41,681)
Australasia Limited	26,320	270	24,123	-

Sales and purchases consist of the transfer of stock at cost price and the recharge of staff time working in the difference company restaurants. Purchases from Living Venures Procurement Limited also include head office service charges.

Purchases from Living Ventures Procurement Limited also include a head office service charges of £792,056 (2015: £612,689).

The Group has taken advantage of the exemption in FRS 102 (section 33) "Related Party Disclosure" and has not disclosed transactions with group undertakings where the company is a 100% subsidiary.

Key management personnel remuneration totalled £408,347 to 31 March 2016 (2015: £226,992).

Notes to the Financial Statements

For the Year Ended 31 March 2016

28. Post balance sheet events and controlling party

On 8 June 2016, Graphite Capital acquired the New World Trading Company (UK) Holdings Limited group for consideration of £50 million. As of this date its immediate parent company became Christopher Bidco Limited, a company incorporated in England and Wales. The ultimate parent company is considered to be Christopher Topco Limited, a company also incorporated in England and Wales.

29. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.