Mabel Mezzco Limited

Full year report
as at and for the 52-week period to
April 24, 2016

General information

Wagamama operates popular award winning pan-Asian inspired noodle restaurants based in the United Kingdom. In addition to our Company-operated restaurants across the United Kingdom and the United States, we have franchised restaurants operating in 16 markets around the world spread across Western Europe, Eastern Europe, the Middle East and New Zealand.

Wagamama offers fresh, pan-Asian cuisine in a friendly, vibrant setting. Our menu features a wide variety of noodle and rice dishes, as well as salads and side dishes, juices, hot drinks, wine, sake and Asian beers. Freshness and quality are two ingredients that we believe go into every dish. Many Wagamama signature dishes can be found in all of our restaurants across the globe and we also have local specialties that take advantage of regional produce and tastes.

Presentation of financial information

Unless otherwise indicated, the financial information presented in this report is the historical consolidated financial information of Mabel Mezzco Limited and its subsidiaries (the “Group”).

This report includes or derives information from the following financial sources:

- the unaudited consolidated financial information of the Group as of and for the 12 weeks ended April 24, 2016 (“Fourth Quarter 2016”, "Q4 2016", or “the quarter”), and the comparative period as of and for the 12 weeks ended April 26, 2015 (“Fourth Quarter 2015” or "Q4 2015"), prepared in accordance with FRS 102; and

- the audited consolidated full year financial information of the Group as of and for the 52 weeks ended April 24, 2016 (“FY16”), and the comparative period as of and for the 52 weeks ended April 26, 2015 (“FY15”), prepared in accordance with FRS 102.

The financial year for the Group runs from the calendar day following the previous financial year end to the Sunday nearest to April 30 of each calendar year. Accordingly, from time to time, the financial accounting period covers a 53-week period, which impacts the comparability of results. Our 2016 financial year ended on April 24, 2016 and will constitute a 52-week period.

The Group has transitioned to the new United Kingdom reporting standard, FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, which was applicable for the period ended 24 April 2016.

2016 highlights

Financial highlights – Full year 2016

- Turnover increased 18.9% to £229.9 million in YTD 2016 with the continued expansion of our restaurants in the UK (10 new openings in the period) and 13.1% UK like for like sales growth.
- Adjusted EBITDA up 28.0% in YTD 2016 to £38.7 million from £30.3 million in YTD 2015.
- Adjusted EBITDA margin at 17.0% in YTD 2016 compared to 15.8% in YTD 2015.
- Underlying[1] free cashflow at 108.4% of adjusted EBITDA remains strong.

(1) Year to date 2016 and Year to date 2015 both adjusted to reflect the movement in one-off fees relating to re-financing.

Financial highlights – Quarter 4

- Turnover increased 20.0% to £55.1 million in Q4 2016 with the continued expansion of our restaurants in the UK (1 new opening in the quarter) and 16.2% UK like for like sales growth.
- Adjusted EBITDA up 14.7% in Q4 2016 to £8.6 million from £7.5 million in Q4 2015.
- Adjusted EBITDA margin at 15.8% in Q4 2016 compared to 16.5% in Q4 2015.
- Underlying(1) free cashflow at 136.9% of adjusted EBITDA remains strong.
- Net debt down to £110.3 million at Q4 2016 from £115.9 million net indebtedness as of Q4 2015, having benefited from improvement in EBITDA and restructuring of debt.

Operational highlights

- One new restaurant opened at Bridgend in Q4 2016 and 10 new restaurants in YTD 2016.
- 16 refurbishments have been completed, bringing Kaizen design to the existing estate.
- Deliveroo (delivery operation) is now in 76 restaurants and delivering strong sales and profit growth.
- Continued measured development and roll-out of UK company-owned restaurants.
- Margins continue to be strong and grow with labour scheduling driving both controls and visibility.
- Building foundations for extension of the brand in the USA with flagship New York City restaurant opening planned for September 2016.

Results of operations

Fourth Quarter 2016 compared with Fourth Quarter 2015

Turnover

Turnover increased 20.0% to £55.1 million in Q4 2016 from £45.9 million in Q4 2015. A geographic and business line analysis of our turnover follows:

£ million	**Q4 2016**	**Q4 2015**	**% change**
Company-operated UK	53.1	44.4	+19.6
Company-operated US	1.6	1.2	+33.3
Franchise	0.4	0.3	+33.3
Total	**55.1**	**45.9**	**+20.0**

Company-operated restaurants

Turnover in our restaurant business in the United Kingdom increased 19.6% to £53.1 million in Q4 2016 from £44.4 million in Q4 2015. This was primarily due to the increase in the number of restaurants from 112 open at the end of Q4 2015 to 120 open at the end of Q4 2016 and a 16.2% like for like sales increase.

Turnover in our restaurant business in the United States increased 33.3% to £1.6 million in Q4 2016 from £1.2 million in Q4 2015. US$ turnover increased by 24.1% to $2.3 million for Q4 2016 versus $1.9m for Q4 2015.

International franchised restaurants

Turnover from our international franchised restaurants business line increased 33.3% to £0.4 million in Q4 2016 from £0.3 million in Q4 2015.

Cost of sales

Margin before administrative expenses has declined from 44.8% in Q4 2015 to 43.8% in Q4 2016 due to the costs associated with deliveroo sales: deliveroo is generating incremental cash profit. The growth in the estate and the like for like sales growth together with the roll out of deliveroo were the primary causes of cost of sales increasing 22.1% to £30.9 million in Q4 2016 from £25.3 million in Q4 2015.

Administrative expenses before exceptional items

Administrative expenses before exceptional items increased 16.8% to £20.3 million in Q4 2016 from £17.4 million in Q4 2015. This was primarily due to overhead costs and depreciation commensurate with the addition of new restaurants in addition to the increase in central overhead expenses, again reflecting the increase in estate size.

Net interest payable and similar charges

Net interest payable and similar charges remained flat at £3.0 million in Q4 2016 and in Q4 2015.

Tax on loss on ordinary activities

The tax on profit on ordinary activities was a credit of £0.3m in Q4 2016 from £1.2 million in Q4 2015, including the impact of FRS 102 deferred tax adjustments.

YTD 2016 compared with YTD 2015

Turnover

Turnover increased 18.9% to £229.9 million in YTD 2016 from £193.3 million in YTD 2015. A geographic and business line analysis of our turnover follows:

£ million	**YTD 2016**	**YTD 2015**	**% change**
Company-operated UK	222.0	186.6	+19.0
Company-operated US	6.2	5.2	+19.2
Franchise	1.7	1.5	+13.3
Total	229.9	193.3	**+18.9**

Company-operated restaurants

Turnover in our restaurant business in the United Kingdom increased 19.0% to £222.0 million in YTD 2016 from £186.6 million in YTD 2015. This was primarily due to the increase in the number of restaurants from 112 open at the end of Q4 2015 to 120 open at the end of Q4 2016 and a 13.1% like for like sales increase.

Turnover in our restaurant business in the United States increased 19.2% to £6.2 million in YTD 2016 from £5.2 million in YTD 2015. US$ turnover increased by 12.1% to $9.3 million for YTD 2016 versus $8.3 million for YTD 2015.

International franchised restaurants

Turnover from our international franchised restaurants business line increased 13.3% to £1.7 million in YTD 2016 from £1.4 million in YTD 2015.

Cost of sales

Margin before administrative expenses has improved from 44.6% in YTD 2015 to 44.8% in YTD 2016 due to customer price increases, purchasing savings and improved staffing leverage offset by the cost of deliveroo. The growth in the estate and the like for like sales growth together with deliveroo costs were the primary causes of cost of sales increasing 18.6% to £127.0 million in YTD 2016 from £107.1 million in YTD 2015.

Administrative expenses before exceptional items

Administrative expenses before exceptional items increased 13.1% to £85.1 million in YTD 2016 from £75.3 million in YTD 2015. This was primarily due to overhead costs and depreciation commensurate with the addition of new restaurants in addition to the increase in central overhead expenses, again reflecting the increase in estate size.

Net interest payable and similar charges

Net interest payable and similar charges decreased 26.2% to £13.1 million in YTD 2016 from £17.8 million in YTD 2015, as a result of exceptional finance costs of £2.8 million incurred in Q3 2015 during refinancing together with the lower interest charges following the refinancing of higher interest rate debt.

Tax on loss on ordinary activities

The tax on loss on ordinary activities has decreased from £1.6 million in YTD 2015 to £1.1 million in YTD 2016, reflecting the impact of FRS 102 deferred tax adjustment to the prior year tax charge.

Liquidity and capital resources

Net cash inflow from operating activities

Net cash inflow from operating activities increased 11.3% to £10.9 million in Q4 2016 from £9.8 million in Q4 2015. This was primarily due to an increase in EBITDA.

Net cash inflow from operating activities increased 8.1% to £36.8 million in YTD 2016 from £34.1 million in YTD 2015. This was primarily due to the increase in EBITDA of £6.8 million offsetting a decrease in the working capital inflow of £3.2 million. This included one-off payments not reflective of the normal working capital cycle of £3.0m in YTD 2016.

Net cash outflow from returns on investments and servicing of finance

Net cash outflow from returns on investments and servicing of finance in Q4 2016 and Q4 2015 was flat at £nil.

Net cash outflow from returns on investments and servicing of finance in YTD 2016 was £12.0 million which increased 135.1% from the outflow in YTD 2015 of £5.1 million reflecting that the previous financing structure was part cash part PIK interest.

Net cash outflow from capital expenditure

Net cash outflow from capital expenditure increased 23.5% to £5.2 million in Q4 2016 from £4.2 million in Q4 2015. This was primarily due to the higher number of restaurants opened in the respective quarters being 1 in Q4 2016 and none in Q4 2015 along with an increased level of refurbishment, head office and system expenditure in 2016.

Net cash outflow from capital expenditure increased 41.7% to £17.5 million in YTD 2016 from £12.4 million in YTD 2015. This was primarily due to the higher number of restaurants opened in the respective period, increasing to 10 in YTD 2016 from 6 in YTD 2015 along with higher spend on refurbishments, maintenance, office, systems and central kitchen.

Net cash inflow/outflow from financing

Net cash outflow from financing was £0.0 million in Q4 2016 compared to £0.2 million in Q4 2015.

Net cash outflow from financing decreased to £0.0 million in YTD 2016 from £0.2 million in YTD 2015 in line with repayment of debt followed by the refinancing in Q3 2015.

Capital expenditures

The following table shows our capital expenditures for the periods indicated:

	For the 12 weeks ended		For the 52 weeks ended	
	April 24, 2016	**April 26, 2015**	**April 24, 2016**	**April 26, 2015**
New site capital expenditures	2.4	3.2	10.2	7.7
Refurbishment expenditures	1.6	0.0	2.8	0.9
Maintenance expenditures	1.0	0.3	2.4	2.4
Other capital expenditures*	0.2	0.7	2.1	1.4
Total capital expenditures	**5.2**	**4.2**	**17.5**	**12.4**
Corporate expenses	0.1	0.1	0.3	0.3

***other capital expenditure: office, systems and central kitchen

Estate summary

We opened 1 new restaurant in Q4 2016 and 10 in YTD 2016 compared to no new restaurants in Q4 2015 and 6 in YTD 2015. The increase in the number of franchised restaurants reflects new openings in Amsterdam, Bahrain, Dubai, Auckland and Bratislava.

The table below shows the number of our Company-operated and franchised restaurants as at the following dates:

	For the 12 weeks ended		For the 52 weeks ended	
	April 24, 2016	**April 26, 2015**	**April 24, 2016**	**April 26, 2015**
Company-operated restaurants(1)	**124**	**116**	**124**	**116**
United Kingdom restaurants	120	112	120	112
United States restaurants	4	4	4	4
Company-operated restaurant openings during the period	1	0	10	6
Company-operated restaurants closures during the period	0	0	(1)	(1)
Franchised(2)	35	30	35	30
Total	**159**	**146**	**159**	**146**

(1) Company-operated restaurants include all of our restaurants in the United Kingdom and the United States.

(2) Franchised restaurants as at the dates listed were located in Belgium, Greece, Ireland, Malta, The Netherlands, Northern Ireland, Denmark, Sweden, Switzerland, Cyprus, Slovakia, Turkey, Qatar, United Arab Emirates, Bahrain and New Zealand.

Key performance indicators

	For the 12 weeks ended		For the 52 weeks ended		
	April 24, 2016	April 26, 2015	April 24, 2016	April 26, 2015	LTM
			(£ millions)		
Like-for-like sales growth (%)	16.2%	7.9%	13.1%	9.8%	13.1%
EBITDAR	11.7	11.3	54.1	44.5	54.1
Rent Expense	3.6	3.8	18.4	15.6	18.4
EBITDA	8.0	7.4	35.7	28.9	35.7
EBITDA Margin (%)	14.7%	16.2%	15.6%	15.1%	15.6%
Adjusted EBITDA[(1)]	8.6	7.5	38.7	30.3	38.7
Adjusted EBITDA margin (%)	15.8%	16.5%	17.0%	15.8%	17.0%
Net total indebtedness[(2)]					110.3
Ratio of net total indebtedness to adjusted EBITDA					2.9.x

(1) Please find below a reconciliation calculation from profit for the financial period to EBITDA and Adjusted EBITDA and adjustments made to calculate Adjusted EBITDA for the periods indicated:

	For the 12 weeks ended		For the 52 weeks ended		
	April 24, 2016	April 26, 2015	April 24, 2016	April 26, 2015	LTM
			(£ millions)		
Profit/loss for the financial period ..	0.5	(11.0)	2.6	(19.5)	2.6
Tax on profit/loss on ordinary activities....................................	(0.3)	1.2	1.0	1.6	1.0
Net interest payable and similar charges.....................................	2.9	3.0	13.1	17.8	13.0
Exceptional expenses/(income).....	0.7	10.0	1.1	11.0	1.1
Goodwill amortisation	2.1	2.1	9.1	9.1	9.1
Depreciation and impairment of tangible assets	2.1	2.1	8.8	8.9	8.8
EBITDA...	**8.0**	**7.4**	**35.7**	**28.9**	**35.6**
Pre-opening costs[(a)]	0.5	0.0	2.7	1.1	2.8
Corporate expenses[(b)]	0.1	0.1	0.3	0.3	0.3
Adjusted EBITDA	**8.6**	**7.5**	**38.7**	**30.3**	**38.7**

(a) Pre-opening costs represents costs incurred prior to the opening of a new restaurant, including rent incurred prior to opening, wages of employees in training and food costs incurred for training of new employees.

(b) Corporate expenses represents fees paid to our principal shareholders and security agent under our senior facilities agreement (which was repaid on January 28, 2015) / bond and RCF agreement, professional fees incurred relating to syndication and listing of loan notes under that agreement and fees in respect of our corporate status.

(2) Net total indebtedness represents total debt less cash.

Further information for noteholders

This report was prepared in accordance with the indenture dated January 28, 2015 among Wagamama Finance plc, as Issuer, the guarantors named therein, U.S. Bank Trustees Limited, as Trustee, Elavon Financial Services Limited, UK Branch, as paying agent and transfer agent, Elavon Financial Services Limited, as registrar, and U.S. Bank Trustees Limited, as Security Trustee.

This full year report may include forward-looking statements. All statements other than statements of historical facts included in this full year report, including those regarding the Group's financial position, business and acquisition strategy, plans and objectives of management for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Many factors could cause the Group's actual results, performance or achievements to differ materially from those in the forward-looking statements. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this full year report. The Group expressly disclaims any obligations or undertaking, except as required by applicable law and applicable regulations to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

The financial results presented in this presentation are preliminary and may change. This preliminary financial information includes calculations or figures that have been prepared internally by management and have not been reviewed or audited by our independent chartered accounting firm. There can be no assurance that the group’s actual results for the period presented herein will not differ from the preliminary financial data presented herein and such changes could be material. This preliminary financial data should not be viewed as a substitute for full financial statements prepared in accordance with FRS 102 and is not necessarily indicative of the results to be achieved for any future periods. This preliminary financial information, and previously reported amounts, could be impacted by the effects of the pending review of the Board of Directors.

Use of non-FRS 102 financial information

Certain parts of this report contain non-FRS 102 measures and ratios, including EBITDAR, rent expense, EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, new site capital expenditures, maintenance capital expenditures, other capital expenditures, total capital expenditures, like-for-like sales growth, working capital and leverage ratios that are not required by, or presented in accordance with, FRS 102. We believe that these measures are useful indicators of our ability to incur and service our indebtedness and can assist certain investors, security analysts and other interested parties in evaluating us. Because all companies do not calculate these measures on a consistent basis, our presentation of these measures may not be comparable to measures under the same or similar names used by other companies. Accordingly, undue reliance should not be placed on these measures in this full year report. In particular, EBITDAR, EBITDA and Adjusted EBITDA are not measures of our financial performance or liquidity under FRS 102 and should not be considered as an alternative to (a) net income/(loss) for the period as a measure of our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under FRS 102.

Our non-FRS 102 measures are defined by us as follows:

- We define “EBITDAR” as EBITDA plus rent expense.
- We define “rent expense” as the aggregate fees incurred for the period indicated pursuant to our property lease obligations.
- We define “EBITDA” as profit for the financial period plus tax on profit on ordinary activities, net interest payable and similar charges, exceptional administrative (expenses)/income, gain/(loss) on disposal of fixed assets, goodwill amortisation and depreciation and impairment of tangible assets.

- We define “EBITDA margin” as EBITDA divided by turnover.
- We define “Adjusted EBITDA” as EBITDA adjusted for the impact of restaurant pre-opening costs, sponsor monitoring fees, and extra days of trading. We define LTM performance as FY16 full year results.
- We define “Adjusted EBITDA margin” as Adjusted EBITDA divided by turnover.
- We define “new site capital expenditure” as the capital expenditures we incur in order to purchase and outfit a new restaurant in preparation for its opening.
- We define “refurbishment expenditure” as expansion capital expenditure in existing restaurants.
- We define “maintenance capital expenditure” as the capital expenditures we incur to maintain our restaurants.
- We define “other capital expenditure” as the capital expenditures we incur for overhead costs relating to our central kitchen and other centralised capital expenditures relating primarily to training and IT.
- We define “total capital expenditure” as the purchase of tangible fixed assets as reflected in our cash flow statements.
- We define “like-for-like sales growth” as sales from our United Kingdom restaurants that traded for at least 17 full four-week periods. Restaurants are included on a rolling basis as each new restaurant is included in the like-for-like comparison once it has traded for 17 full four-week periods. Any week in which a restaurant did not have revenue and the preceding and following week are excluded both in the period considered and in the comparative period.
- We define “Underlying free cashflow” as adjusted EBITDA less maintenance capex plus/minus changes in net working capital (adjusted for one-off payments in both Year to date 2016 and Year to date 2015 that do not reflect underlying working capital patterns; principally refinancing.

Mabel Mezzco Limited

Annual report and financial statements

for the period ended 24 April 2016

Registered number: 07556501

Mabel Mezzco Limited

Contents

Mabel Mezzco Limited

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P J Adams
E Bellquist
M H Collins
P L Taylor
D Campbell
J S Holbrook

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Registered Number

07556501

Mabel Mezzco Limited

Strategic report
for the period ended 24 April 2016

Introduction

The directors present their Strategic report for the 52 week period ended 24 April 2016 (2015 - 52 weeks ended 26 April 2015).

The company acts as an intermediate holding company for the Mabel Topco Group ("the Group"), which operates a chain of Japanese style noodle bars, trading in the UK through Wagamama Limited, and in the USA through Wagamama Inc. The UK business also operates as a franchisor of the brand in all territories in which Wagamama trades outside of the UK and USA.

The principal strategic objective is to maximise the value of the Wagamama brand, the main drivers of which are expansion of the owned estate in the UK and internationally, whilst continuing to focus on maintaining Wagamama's highly differentiated offering and its profitability.

Business review and future developments

The trading results for the period and the Group's financial position at the end of the period are shown in the attached financial statements on pages 9 and following. The directors have not recommended a dividend (2015: £454,136).

The Group continued with its expansionary activities during the period, with 10 restaurants opened and one closed in the UK. By the end of the period, the Group's estate had grown to 120 restaurants in the UK and 4 in the USA as well as 35 restaurants operated under franchise agreements.

The company has set up for growth and is expecting to open further managed restaurants in the UK and USA with additional franchise restaurants across the rest of the world.

We see the USA as a significant opportunity for Wagamama and we have already initiated our growth strategy with the acquisition of two leases in New York, one of which is under construction. We are actively exploring opportunities to work with a partner to drive growth in the USA.

Key Performance Indicators (KPI)

The directors consider the following to be key indications of the performance of the Group, both financial and non-financial:

	24 April 2016	26 April 2015
	£'000	£'000
Turnover	**229,864**	193,292
Operating profit/(loss)	16,660	(126)
Earnings before interest, tax depreciation, amortisation, set-up costs and certain head-office costs ("adjusted EBITDA")*	**38,711**	30,236
Number of restaurants	**124**	116
Average number of employees	**4,483**	3,865

*set-up costs of £2,709,000 (2015: £1,032,000) and certain head-office costs of £312,000 (2015 costs: £305,000).

Turnover grew by 19% and adjusted EBITDA by 25%. Restaurant EBITDA (being adjusted EBITDA before central costs) grew by 23%. Operating profit/(loss) grew from (£126,000) to £16,660,000 as a result of trading performance and a significant reduction in exceptional costs compared to the previous period.

The directors see considerable potential for continuing expansion of the business, both in the UK and USA and will continue to follow the growth strategy.

Strategic report
for the period ended 24 April 2016 (continued)

Principal risks and uncertainties

Brexit

Brexit has brought new uncertainty to the UK market as a whole, which may well impact our underlying sales. We have fixed price contracts in place for most of our ingredient and distribution costs for at least the financial year and in many cases beyond this.

It is unclear at this stage what further impact Brexit will have on our labour availability, underlying costs, and our international costs and revenues.

Management is alert to and continuously reviewing all potential risks and formulating its responses at the appropriate time. The business is robustly financed and feels confident in its ability to identify opportunities and manage through the economic challenges.

UK Economy

As a consumer facing business, any risks to the UK economy as a whole and in particular to consumer spending could impact the overall performance of the Group. However the brand is relatively well positioned as a result of the overall affordability of the Wagamama offering. Significant food and wage inflation are also risk factors, although the business can to a certain extent offset inflationary pressures through moderate menu price increases.

Foreign exchange risk

The Group's principal operating segment relates to the UK restaurant business, with the Group's US restaurant business not exposing the Group to significant foreign exchange risk. Employees and suppliers of the US business are predominantly paid in US dollars as a natural hedge against foreign exchange risk. Furthermore, the Group does not have significant assets or liabilities denominated in foreign currencies.

Accordingly the Group has not, to date, used any material financial instruments to mitigate its foreign exchange risk. The directors and UK management have however reviewed the situation with the planned expansion of the US restaurant business and have put certain FX contracts in place in the subsequent reporting period as part of an FX risk management strategy.

Credit risk

Trade receivables predominately arise from the Group's franchising business. The franchising business is immaterial to the Group's operations. Accordingly, the Group has no significant concentrations of credit risk. The Group has implemented policies that require appropriate credit checks on potential franchisees before sales are made.

Credit risk also arises on short-term bank deposits. Short-term bank deposits are executed only with A-rated authorised counter-parties based on ratings issued by the major rating agencies. Counter-party exposure positions are monitored regularly so that credit exposures to any one counter party are within predetermined limits. Overall, the Group considers that it is not exposed to a significant amount of credit risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and short-term deposits and the availability of funding through an adequate amount of committed credit facilities.

Cash flow and fair value interest rate risk

During the previous financial period, the Group reorganised its finances and where previously it was financed through a mixture of bank borrowings and loan notes, it is now financed through a mixture of a high yield bond (coupon 7.875%) and loan notes thereby reducing its overall cost of debt. These borrowings are in Sterling at fixed rates.

The Strategic report has been approved by the board and is signed on its behalf by

J S Holbrook
Director
14 July 2016

Mabel Mezzco Limited

Directors' report
for the period ended 24 April 2016

The directors present their report and audited consolidated financial statements for the 52 week period ended 24 April 2016 (2015 - 52 weeks ended 26 April 2015).

Business review and future developments

We have included our business review and discussion of future developments in the Strategic report on page 2.

Results and dividends

The trading results for the period and the Group's financial position at the end of the period are shown in the attached financial statements on pages 9 and following. The directors have not recommended a dividend (2015: £454,136).

The directors

The directors who served the company during the period and up to the date of signing were as follows:

P J Adams
E Bellquist
D Campbell
M H Collins
G M House (resigned 28/01/2016)
P L Taylor
J S Holbrook

Financial instruments

The Group's treasury policies are designed to ensure that adequate financial resources are available for the development of the Group's businesses.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are consequently stated at amortised cost. Where the Group refinances its borrowings and such refinancing is substantially a new arrangement, unamortised issue costs relating to previous borrowings are accelerated to expense them in full by the date of refinancing. Such acceleration costs are treated as exceptional items.

Employees

The average number of employees and their remuneration is set out in note 5 of the financial statements.

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

During the period, the policy of providing employees with information about the Group has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Financial risk management

Please refer to the Strategic report on page 3 for further discussion on financial risk management.

Mabel Mezzco Limited

Directors' report
for the period ended 24 April 2016 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the group and parent company financial statements (the "financial statements") in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has 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 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.

Going concern

The financial statements have been prepared on a going concern basis as, after making appropriate enquiries and taking into account the strong trading performance of the underlying business and strong group cash flow, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment the Directors have also taken into the consideration the repayment profile of the Group's debt (as set out in Note 19) with all debt falling due for repayment in more than two years but less than five years.

Statement of disclosure of information to auditors

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Directors' report has been approved by the board and is signed on its behalf by

J S Holbrook
Director

14 July 2016
Company registered number: 07556501

Independent auditors' report to the members of Mabel Mezzco Limited

Report on the financial statements

Our opinion

In our opinion, Mabel Mezzco Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 24 April 2016 and of the group's profit and cash flows for the 52 week period (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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Group and Company balance sheet as at 24 April 2016;
- the Group profit and loss account and the Group statement of comprehensive income for the period then ended;
- the Group cash flow statement and the notes to the Group cash flow statement for the period then ended;
- the Group and Company statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter 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;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Independent auditors' report to the members of Mabel Mezzco Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

Independent auditors' report to the members of Mabel Mezzco Limited (continued)

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

JS Jenkins

Julian Jenkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 July 2016

Mabel Mezzco Limited

Group profit and loss account for the period ended 24 April 2016

	Note	**Period ended 24 April 2016**	Period ended 26 April 2015
		£'000	£'000
Turnover	3	**229,864**	193,292
Cost of sales		**(126,986)**	(107,073)
Gross profit		**102,878**	86,219
Administrative expenses before exceptional items		**(85,151)**	(75,309)
Exceptional administrative expenses	4	**(1,067)**	(11,036)
Administrative expenses		**(86,218)**	(86,345)
Operating profit/(loss)	4	**16,660**	(126)
Interest receivable and similar income	7	**110**	31
Interest payable and similar charges before exceptional items	8	**(13,139)**	(15,006)
Exceptional charges	8	**-**	(2,793)
Interest payable and similar charges	8	**(13,139)**	(17,799)
Profit/(loss) on ordinary activities before taxation		**3,631**	(17,894)
Tax on profit/(loss) on ordinary activities	9	**(1,009)**	(1,603)
Profit/(loss) for the financial period	24	**2,622**	(19,497)
Profit/(loss) for the financial period is attributable to:			
Owners of the parent		**2,622**	(19,497)
Non-controlling interests		**-**	-
		2,622	(19,497)

All of the activities of the Group are classed as continuing.

There are no material differences between the loss on ordinary activities before taxation and the loss for the period stated above and the historical cost equivalents.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

Mabel Mezzco Limited

Group statement of comprehensive income for the period ended 24 April 2016

	Note	**Period ended 24 April 2016**	Period ended 26 April 2015
		£'000	£'000
Profit/(loss) for the financial period		**2,622**	(19,497)
Other comprehensive income:			
Foreign exchange differences arising on consolidation	24	**113**	361
Total comprehensive income/(expense) for the period		**2,735**	(19,136)
Total comprehensive income/(expense) attributable to:			
Owners of the parent		**2,735**	(19,136)
Non-controlling interests		**-**	-
		2,735	(19,136)

Mabel Mezzco Limited

Group balance sheet
as at 24 April 2016

	Note	24 April 2016	26 April 2015
		£'000	£'000
Fixed assets			
Intangible assets	12	**136,535**	145,651
Tangible assets	14	**79,427**	69,944
		215,962	215,595
Current assets			
Stocks	15	**1,400**	1,038
Debtors	16	**7,707**	6,297
Cash at bank and in hand		**35,472**	28,666
		44,579	36,001
Creditors: amounts falling due within one year	17	**(46,592)**	(41,022)
Net current liabilities		**(2,013)**	(5,021)
Total assets less current liabilities		**213,949**	210,574
Creditors: amounts falling due after more than one year	18	**(145,804)**	(144,582)
		68,145	65,992
Provisions for liabilities	21	**(6,200)**	(6,782)
Net assets		**61,945**	59,210
Capital and reserves			
Called up share capital	23	**20,000**	20,000
Profit and loss account	24	**41,945**	39,210
Total shareholders' funds		**61,945**	59,210

The financial statements on pages 9 to 39 were approved by the board of directors on 14 July 2016 and signed on its behalf by:

J S Holbrook

Director

Mabel Mezzco Limited

Company balance sheet
as at 24 April 2016

	Note	**24 April 2016**	26 April 2015
		£'000	£'000
Fixed assets			
Investments	13	**123,137**	123,137
Current assets			
Debtors	16	**-**	-
		-	-
Creditors: amounts falling due within one year	17	**(24)**	(54)
Net current liabilities		**(24)**	(54)
Total assets less current liabilities		**123,113**	123,083
Net assets		**123,113**	123,083
Capital and reserves			
Called up share capital	23	**20,000**	20,000
Profit and loss account	24	**103,113**	103,083
Total shareholders' funds		**123,113**	123,083

The financial statements on pages 9 to 39 were approved by the board of directors on 14 July 2016 and signed on its behalf by:

J S Holbrook

Director

Company registered number: 07556501

Mabel Mezzco Limited

Group statement of changes in equity for the period ended 24 April 2016

	Called up share capital	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000
Balance as at 28 April 2014	20,000	58,801	78,801
Loss for the financial period	-	(19,497)	(19,497)
Other comprehensive income for the period	-	361	361
Total comprehensive expense for the period	-	**(19,136)**	**(19,136)**
Dividends	-	(455)	(455)
Total transactions with owners recognised directly in equity	-	**(455)**	**(455)**
Balance as at 26 April 2015	**20,000**	**39,210**	**59,210**

	Called up share capital	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000
Balance as at 27 April 2015	20,000	39,210	59,210
Profit for the financial period	-	2,622	2,622
Other comprehensive income for the period	-	113	113
Total comprehensive income for the period	-	**2,735**	**2,735**
Dividends	-	-	-
Total transactions with owners recognised directly in equity	-	-	-
Balance as at 24 April 2016	**20,000**	**41,945**	**61,945**

Company statement of changes in equity for the period ended 24 April 2016

	Called up share capital	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000
Balance as at 28 April 2014	20,000	102,653	122,653
Profit for the financial period	-	430	430
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	**430**	**430**
Dividends	-	-	-
Total transactions with owners recognised directly in equity	-	-	-
Balance as at 26 April 2015	**20,000**	**103,083**	**123,083**

	Called up share capital	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000
Balance as at 27 April 2015	20,000	103,083	123,083
Profit for the financial period	-	30	30
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	**30**	**30**
Dividends	-	-	-
Total transactions with owners recognised directly in equity	-	-	-
Balance as at 24 April 2016	**20,000**	**103,113**	**123,113**

Mabel Mezzco Limited

Group cash flow statement
for the period ended 24 April 2016

	Note	**Period ended 24 April 2016**	Period ended 26 April 2015
		£'000	£'000
Net cash inflow from operating activities	(a)	**36,837**	34,068
Taxation		(509)	(19)
Net cash generated from operating activities		**36,328**	34,049
Cash flow from investing activities			
Interest received		**110**	31
Proceeds from disposal of tangible fixed assets		-	-
Payments to acquire tangible fixed assets		**(17,505)**	(12,355)
Net cash used in investing activities		**(17,395)**	(12,324)
Cash flow from financing activities			
Interest paid		**(12,126)**	(5,141)
Expenses paid in connection with issue of debt		-	(5,697)
New bond		-	150,000
Repayment of bank loan		-	(88,858)
Repayment of loan notes		-	(55,614)
Net cash used in financing activities		**(12,126)**	(5,310)
Net increase in cash and cash equivalents		**6,807**	16,415
Cash and cash equivalents at the beginning of the period		28,666	12,241
Exchange adjustments		(1)	10
Cash and cash equivalents at the end of the period		**35,472**	28,666

The notes on pages 18 to 39 form part of these financial statements.

Mabel Mezzco Limited

Group cash flow statement
for the period ended 24 April 2016 (continued)

	Period ended 24 April 2016	Period ended 26 April 2015
	£'000	£'000
Cash and cash equivalents consists of:		
Cash at bank and in hand	35,472	28,666
Short term deposits	-	-
Cash and cash equivalents	**35,472**	28,666

Notes to the Group cash flow statement
for the period ended 24 April 2016

(a) Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	Period ended 24 April 2016	Period ended 26 April 2015
	£'000	£'000
Operating profit/(loss)	**16,660**	(126)
Amortisation	**9,116**	9,116
Depreciation	**8,626**	8,899
Impairment	-	5,915
Loss on disposal of fixed assets	-	1,310
(Increase)/decrease in stocks	**(359)**	61
(Increase)/decrease in debtors	**(1,143)**	265
Increase in creditors	**4,416**	5,779
Increase/(decrease) in provisions for onerous leases	**(479)**	2,849
Net cash inflow from operating activities	**36,837**	34,068

Mabel Mezzco Limited

Notes to the Group cash flow statement for the period ended 24 April 2016 (continued)

(b) Analysis of changes in net debt

	At 27 April 2015	Cash flows	Other non-cash changes	At 24 April 2016
	£'000	£'000	£'000	£'000
Net cash:				
Cash at bank and in hand	28,666	6,807	(1)	**35,472**
Debt:				
Debt due after 1 year	(144,582)	-	(1,222)	**(145,804)**
Net debt	(115,916)	**6,807**	**(1,223)**	**(110,332)**

(c) Non-cash changes

	Period ended 24 April 2016	Period ended 26 April 2015
	£'000	£'000
Currency translation	**(1)**	10
Amortisation of loan issue fees	**(1,222)**	(3,791)
Rolled up interest	**-**	(6,491)
	(1,223)	(10,272)

Notes to the financial statements for the period ended 24 April 2016

1 Accounting policies

General information

Mabel Mezzco Limited is a private company and is incorporated and domiciled in the UK. The address of its registered office is 76 Wardour Street, London, W1F 0UR.

Basis of accounting

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

This is the first period that the Group and Company have presented their results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the period ended 26 April 2015. The date of transition to FRS 102 was 28 April 2014. Note 28 sets out the changes in accounting policies between UK GAAP as previously reported and FRS 102.

The financial statements are prepared for the period up to the Sunday closest to 30 April being 24 April 2016. The comparative numbers used in the financial statements are for the 52 week period ended 26 April 2015.

The financial statements have been prepared on a going concern basis. After making appropriate enquiries and taking into account the strong trading performance of the underlying business and strong group cash flow, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date when the financial statements were authorised for issue.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all Group undertakings. Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to conform to Group accounting policies.

Acquisitions are accounted for under the purchase method and goodwill on consolidation is capitalised and amortised over its expected useful life. The results of companies acquired or disposed of are included in the Group profit and loss account after or up to the date that control passes respectively.

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

As a consolidated Group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the Group financial statements by virtue of section 408 of the Companies Act 2006.

Related parties transactions

The Company has taken advantage of the exemption provided by FRS 102 from disclosing transactions with Group companies on the basis that those companies are wholly owned and included in these consolidated financial statements.

Notes to the financial statements for the period ended 24 April 2016 (continued)

1 Accounting policies (continued)

Turnover

a. Restaurant turnover

The turnover shown in the profit and loss account represents the value of goods and services provided during the period, stated net of value added tax. Turnover is recognised on completion of the transaction with the customer.

b. Franchise fees

Franchise fees comprise on-going fees based on results of the franchisee and up front initial site and territory fees. Total revenue is accrued in line with performance once revenue can be reliably measured.

Goodwill

Purchased goodwill and that arising on consolidation is amortised through the profit and loss account over the directors' estimate of its useful life. If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

The Group has elected not to apply the requirements of FRS 102 to business combinations occurring before the date of transition and no adjustment has been made to the carrying value of goodwill arising before that date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	–	up to 20 years
Trademarks / Licences	–	up to 20 years

Where the Group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 5 years. Goodwill is assessed for impairment where there are indicators of impairment and any impairment is charged to the profit and loss.

Tangible assets

Tangible fixed assets are held at historical cost less accumulated depreciation. Historical cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	–	over the period of the lease
Restaurant and office equipment	–	over 3 to 10 years

The depreciation charge for the period is included within administrative expenses.

Stocks

Stocks are valued at the lower of cost and estimated selling price less cost to sell, after making due allowance for obsolete and slow moving items.

Cost is determined on the first-in, first-out method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

1 Accounting policies (continued)

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease. Lease incentives are recognised on a straight line basis over the period of the lease.

The Group has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (28 April 2014) and continues to credit such lease incentives to the profit and loss account over the period to the first review date on which the rent is adjusted to market rates.

Onerous leases

Where EBITDA results of individual restaurants suggest potential for onerous lease charges, future expected cash flow performance in those individual restaurants is reviewed and discounted at a rate of 10% over the remaining life of the lease and compared to the discounted committed rent payments for the remainder of the lease also discounted at 10%. Where there is a deficit between cash flow and committed rent then the net cost is recorded as an onerous lease charge.

Pension costs

The Group makes payments into the personal pension schemes of certain of its employees but does not operate any scheme itself.

Deferred taxation

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All exchange differences are taken to the profit and loss account. Exchange differences arising from consolidation of foreign entities are recognised in other comprehensive income.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets

Basic financial instruments, including trade and other receivables and cash and bank balances are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method.

Financial liabilities

Basic financial liabilities, including trade and other payables, loans from fellow Group companies and debt instruments are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method.

2 Critical accounting judgements and estimation uncertainty

(a) Critical judgements in applying the Group's accounting policies

The Directors have not identified any critical accounting judgements in applying the Group's accounting policies.

(b) Key accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of assets and goodwill

The Group considers whether its intangible assets, goodwill and tangible assets are impaired. Where an indication of impairment is identified, the determination of recoverable value requires estimation of future cash flows and selection of appropriate assumptions.

Provisions

Provision is made for onerous leases and impairment of tangible fixed assets. These provisions require management's best estimate of the timing and value of future cash flows in order to determine the value of the provision required.

Notes to the financial statements for the period ended 24 April 2016 (continued)

3 Turnover

The turnover and operating profit/(loss) for the period was derived from the company's principal continuing activity which was carried out primarily in the UK.

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

		Period ended 24 April 2016	Period ended 26 April 2015
		£'000	£'000
Amortisation		**9,116**	9,116
Depreciation of owned fixed assets		**8,626**	8,899
Impairment – included in exceptional administrative expenses		-	5,915
Foreign exchange differences			3
Auditors' remuneration	- as auditors	**64**	62
	- for taxation services	**177**	50
	- for other services – included in exceptional administrative expenses	**80**	575
Operating lease costs		**18,380**	15,611
Loss on disposal of fixed assets (of which nil included in exceptional administrative expenses (2015: £1,310,000))		-	1,310
Exceptional administrative expenses		**1,067**	11,036

Of the auditors' remuneration as auditors, £4,000 (2015: £4,000) related to the audit of Mabel Mezzco Limited and the consolidation, and £60,000 (2015: £58,000) related to the audit of subsidiary companies.

For the period ended 24 April 2016, the exceptional administrative expenses incurred comprise of expenditure relating to infrastructure development in readiness for the Group's USA expansion.

For the period ended 26 April 2015, the exceptional administrative expenses incurred principally comprise of insurance income received from the flooding of a restaurant in prior year (£340,000) impairment of £5,915,000, onerous lease provisions of £2,849,000, loss on disposal of assets £1,310,000 and professional fees in conjunction with the Group's review of re-financing options £1,302,000. The impairment and onerous lease provisions follow a review of the Group's estate and an updated view on the application of accounting policy.

5 Particulars of employees

The average monthly number of staff (including directors) employed by the Group during the financial period amounted to:

	24 April 2016	26 April 2015
	Number	Number
Number of staff - total	**4,483**	3,865
Restaurants	**4,373**	3,755
Head Office	**110**	110

The aggregate payroll costs of the above were:

	Period ended 24 April 2016	Period ended 26 April 2015
	£'000	£'000
Wages and salaries	**77,845**	63,442
Social security costs	**5,617**	4,657
Other pension costs	**663**	545
	84,125	68,644

The Company has nil employees (2015: nil).

The Group contributes to the personal pensions schemes of certain of its employees. The pension cost charge represents contributions payable by the Group to the schemes and amounted to £663,000 (2015: £545,000).

6 Directors' emoluments

	Period ended 24 April 2016	Period ended 26 April 2015
	£'000	£'000
Emoluments	**1,544**	1,852
Value of company pension contributions to money purchase schemes	**96**	109
Compensation for loss of office	**252**	-
	1,892	1,961

Emoluments of highest paid director:

	Period ended 24 April 2016	Period ended 26 April 2015
	£'000	£'000
Total emoluments (excluding pension contributions)	**710**	841
Value of company pension contributions to money purchase schemes	**43**	42
	753	883

The number of directors to whom pension benefits are accruing at the period end is 2 (2015: 2).

No Directors (2015: none) received emoluments in respect of their services to the company.

7 Interest receivable and similar income

	Period ended 24 April 2016	Period ended 26 April 2015
	£'000	£'000
Bank interest receivable	**110**	31

Notes to the financial statements for the period ended 24 April 2016

8 Interest payable and similar charges

	Period ended 24 April 2016	Period ended 26 April 2015
	£'000	£'000
Interest payable on bank borrowing	**234**	4,639
Loan notes interest (note 19)	-	6,491
Bond interest	**11,780**	2,880
Amortisation of loan fees	**1,125**	996
Interest and similar charges before exceptional items	**13,139**	15,006
Exceptional item	-	2,793
Interest and similar charges	**13,139**	17,799

The issue costs associated with financing are amortised over the life of the instruments in accordance with FRS 102.

In 2015, the unamortised issue costs of the bank loans and mezzanine loan notes that were repaid on re-financing have been expensed as exceptional; £2,793,000.

9 Tax on profit/(loss) on ordinary activities

(a) Analysis of charge in the period

	Period ended 24 April 2016	Period ended 26 April 2015
	£'000	£'000
Current tax:		
UK Corporation tax based on the results for the period at 20% (2015: 20.93%)	**1,103**	1,165
Overseas corporation tax	**9**	19
Total current tax	**1,112**	1,184
Deferred tax:		
Origination and reversal of timing differences – current period	**186**	495
Origination and reversal of timing differences – prior period	**(123)**	599
Changes in tax rates and laws	**(166)**	(675)
Total deferred tax	**(103)**	419
Tax on profit/(loss) on ordinary activities	**1,009**	1,603

9 Tax on profit/(loss) on ordinary activities (continued)

(b) Factors affecting total tax charge

The tax assessed on the profit/(loss) on ordinary activities before taxation for the period differs (2015: differs) from the standard rate of corporation tax in the UK of 20% (2015: 20.93%). The main rate of corporation tax was reduced from 21% to 20% from 1 April 2015.

	Period ended 24 April 2016	Period ended 26 April 2015
	£'000	£'000
Profit/(loss) on ordinary activities before taxation	**3,631**	(17,879)
Loss on ordinary activities multiplied by rate of tax 20% (2015: 20.93%)	**726**	(3,742)
Effects of:		
Expenses not deductible for taxation purposes	**1,700**	2,900
Group relief claimed	**(720)**	-
Differences in tax rates	**(432)**	(1,335)
Timing differences on fixed asset depreciation	**-**	499
Tax losses not recognised	**1,018**	3,338
Adjustment in respect of overseas tax	**-**	19
Re-measurement of deferred tax – change in UK tax rate	**(166)**	(675)
Adjustment to tax charge in respect of prior periods	**(1,117)**	599
Total tax (note 9(a))	**1,009**	1,603

The Group had unrecognised deferred tax assets of £4,451,000 (2015: £3,433,000) at the end of the period.

(c) Factors affecting future tax charges

No provision has been made for a deferred tax asset on the basis that there is insufficient evidence that the asset will be recoverable in the foreseeable future.

The re-measurement of deferred tax balances was the result of changes to the UK Corporation Tax system announced in the Finance Act 2015. These changes will reduce the main rate of tax to 19% from April 2017. Deferred tax expected to reverse in the year to 23 April 2017 have been measured using the effective rate that will apply in the UK for the period.

10 Loss attributable to members of the parent company

The profit for the financial period dealt with in the financial statements of the parent company was £29,836 (2015: £430,000).

11 Dividends

No dividends have been proposed or paid in respect of the period (2015: £454,136).

12 Intangible assets

Group	Goodwill	Trademarks	Total
	£'000	£'000	£'000
Cost			
As at 27 April 2015	181,989	228	182,217
As at 24 April 2016	**181,989**	**228**	**182,217**
Accumulated amortisation			
At 27 April 2015	36,496	70	36,566
Charge for the period	9,099	17	9,116
At 24 April 2016	**45,595**	**87**	**45,682**
Net book value			
At 24 April 2016	**136,394**	**141**	**136,535**
At 26 April 2015	145,493	158	145,651

13 Investments

Company	Group companies
	£'000
Cost	
At 27 April 2015	123,137
At 24 April 2016	**123,137**
Net book value	
At 24 April 2016	**123,137**
At 26 April 2015	123,137

Notes to the financial statements for the period ended 24 April 2016 (continued)

13 Investments (Continued)

The company owns 100% of the issued share capital of the companies listed below:

	Location	Nature of business
Mabel Bidco Limited	England and Wales	Holding company
Wagamama Finance Plc *	England and Wales	Holding company
Ramen USA Limited*	England and Wales	Holding company
Wagamama USA Holdings, Inc*	Delaware, USA	Holding company
Wagamama, Inc*	Delaware, USA	Restaurant chain
Wagamama USA 2015 LLC*	Delaware, USA	Restaurant chain
Wagamama NY 210 5th LLC*	Delaware, USA	Lease company
Wagamama Group Limited*	England and Wales	Holding company
Wagamama Limited*	England and Wales	Restaurant chain
Wagamama International (Franchising) Limited*	England and Wales	Dormant company

* Indirectly owned

The Directors consider the value of the investments to be supported by their underlying assets.

14 Tangible assets

Group	Leasehold property	Restaurant and office equipment	Total
	£'000	£'000	£'000
Cost			
At 27 April 2015	72,911	29,875	102,786
Additions	10,848	7,249	18,097
Disposals	(650)	(7,254)	(7,904)
Foreign exchange difference	322	89	411
At 24 April 2016	**83,431**	**29,959**	**113,390**
Accumulated depreciation			
At 27 April 2015	19,203	13,639	32,842
Charge for the period	3,900	4,726	8,626
Impairment	-	-	-
Disposals	(650)	(7,254)	(7,904)
Foreign exchange difference	312	87	399
At 24 April 2016	**22,765**	**11,198**	**33,963**
Net book value			
At 24 April 2016	**60,666**	**18,761**	**79,427**
At 26 April 2015	53,708	16,236	69,944

The company held no fixed assets. In 2015, impairment wrote certain assets down on a value in use basis using a 10% discount rate. This followed from a robust review of the Group's assets and the application of policy.

15 Stocks

	24 April 2016		26 April 2015	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Food and other consumables	**1,178**	-	901	-
Merchandising	**222**	-	137	-
	1,400	-	1,038	-

The amount of inventories recognised as an expense during the period was £41,235,000 (2015:£35,613,000)

There is no significant difference between the replacement cost of the inventory and its carrying amount.

16 Debtors

	24 April 2016		26 April 2015	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Trade debtors	**1,892**	-	1,312	-
Other debtors and prepayments	**5,815**	-	4,985	-
	7,707	-	6,297	-

Group other debtors and prepayments includes rental deposits of £63,000 (2015: £116,000) which are receivable in more than one year.

17 Creditors: amounts falling due within one year

	24 April 2016		26 April 2015	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Trade creditors	**12,727**	-	11,869	-
Amounts owed to Group undertakings	**621**	-	-	-
Other taxation and social security	**7,632**	-	6,920	-
Corporation tax	**2,229**	-	1,626	-
Other creditors	**4,606**	-	2,207	-
Accruals and deferred income	**18,777**	**24**	18,400	54
	46,592	**24**	41,022	54

Interest is charged on amounts due to Group undertakings at a rate of 2.5% (2015: 2.5%) per annum.

18 Creditors: amounts falling due after more than one year

	24 April 2016		26 April 2015	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Bond	**145,804**	-	144,582	-
Bank loans	-	-	-	-
Secured loan notes	-	-	-	-
Unsecured loan notes	-	-	-	-
	145,804	-	144,582	-

The bond is shown net of unamortised loan issue costs of £4,196,000 (2015: £5,418,000).

19 Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows:

	24 April 2016		26 April 2015	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Amounts repayable:				
In one year or less or on demand	-	-	-	-
In more than one year but not more than two years	-	-	-	-
In more than two years but not more than five years	**150,000**	-	150,000	-
In more than five years	-	-	-	-
	150,000	-	150,000	-
Unamortised loan issue expenses	**(4,196)**	-	(5,418)	-
	145,804	-	144,582	-

The issue costs associated with the loans are amortised over the life of the loans in accordance with FRS 102.

In January 2015, the Group re-financed and raised £150,000,000 in a high yield bond. At the same time, the Group repaid its bank debt and secured loan notes.

Interest on the bond financing is at 7.875% and is payable semi-annually. Interest on the loan notes of £168,707,000 (2015: £153,060,000) ranges between 10% and 12% and compounds semi-annually. In November 2014, £19 million of interest accrued but unpaid was capitalised with the issue of D ordinary shares of £0.00001 each.

At the period end the Group had an undrawn revolver facility of £15,000,000 (2015: £15,000,000).

Notes to the financial statements for the period ended 24 April 2016 (continued)

20 Financial Instruments

Mabel Mezzco Group funds its operations through finance raised by the issue of a high yield bond, listed on the Luxembourg Stock Exchange. At 24 April 2016, £150,000,000 of the high yield bond was due for repayment in more than 2 years but less than 5 years. The Group has not elected to adopt the fair value accounting requirements for financial instruments.

The Group and Company have the following financial instruments:

	24 April 2016		26 April 2015	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Financial assets at fair value through profit and loss	-	-	-	-
Financial assets that are debt instruments measured at amortised cost				
- Trade receivables	**1,892**	-	1,312	-
- Other receivables	**1,253**	-	1,018	-
Financial liabilities measured at fair value through profit and loss	-	-	-	-
Financial liabilities measured at amortised cost				
- Bond	**145,804**	-	144,582	-
- Loan notes	-	-	-	-
- Trade creditors	**12,727**	-	11,869	-
- Accruals	**18,777**	**24**	18,400	54
- Other creditors	**4,606**	-	2,207	-
- Amounts owed to Group undertakings	**621**	-	-	-

21 Provisions for liabilities

	Onerous Lease £'000	Deferred Tax £'000	Total £'000
As at 26 April 2015	2,849	3,933	6,782
Utilised during the period	(479)	(103)	**(582)**
As at 24 April 2016	**2,370**	**3,830**	**6,200**

Onerous leases

Where EBITDA results of individual restaurants suggest potential for onerous lease charges, future expected cash flow performance in those individual restaurants is reviewed and discounted at a rate of 10% over the remaining life of the lease and compared to the discounted committed rent payments for the remainder of the lease also discounted at 10%. Where there is a deficit between cash flow and committed rent then the net cost is recorded as an onerous lease charge.

Deferred taxation

The movement in the deferred taxation provision during the period was:

	24 April 2016		26 April 2015	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Provision brought forward	**3,933**	-	3,514	-
Movement in provision – current period	**186**	-	495	-
Movement in provision – prior period	**(123)**	-	599	-
Changes in tax rates and laws	**(166)**	-	(675)	-
Provision carried forward	**3,830**	-	3,933	-

The deferred tax provision represents capital allowances received in excess of depreciation

The Group had unrecognised deferred tax assets of £4,451,000 (2015: £3,433,000) at the end of the period. No provision has been made for a deferred tax asset on the basis that there is insufficient evidence that the asset will be recoverable in the foreseeable future.

22 Commitments under operating leases

The Group has the following future minimum lease payments under non-cancellable operating leases:

Group	Land and buildings	
	24 April 2016	26 April 2015
	£'000	£'000
Payments due:		
Not later than one year	**18,473**	15,747
Later than one year and not later than five years	**52,821**	47,266
Later than five years	**174,578**	171,867
	245,872	234,880

At the period end the Group had £nil capital commitments (2015: £nil).

23 Called up share capital

	24 April 2016	26 April 2015
	£'000	£'000
Allotted, called up and fully paid:		
20,000,001 (2015: 20,000,001) Ordinary shares of £1 each	**20,000**	20,000

24 Reserves

Group	**Profit and loss account**
	£'000
At 27 April 2015	39,210
Issue of share capital	-
Foreign currency translation gain	113
Profit for the financial period	2,622
Balance carried forward	**41,945**

24 Reserves (continued)

Company	Profit and loss account £'000
At 27 April 2015	103,083
Issue of share capital	-
Profit for the financial period	30
Balance carried forward	**103,113**

25 Guarantees and other commitments

Bank loans and other loans in the books of Group companies are secured over the assets of the Group. The amounts of these loans outstanding at the balance sheet date were as follows:

Company	24 April 2016 £'000
Wagamama Finance Plc	150,000

26 Related parties

The company is also exempt under the terms of FRS 102 from disclosing related party transactions with entities that are part of the Mabel Mezzco Limited group.

During the period, transactions with Duke Street LLP and Hutton Collins LLP, related parties not wholly within the Group, amounted to £90,000 (2015: £120,000). The transactions were for the provision of services to the Group by non-executive board members and were carried out on an arm's length basis. The value of services provided in the period was £30,000 (2015: £30,000) and £60,000 (2015: £90,000) respectively. There were no balances outstanding at 24 April 2016 (2015: nil).

27 Ultimate parent undertaking

The Company's immediate parent company is Mabel Midco Limited.

These consolidated financial statements are the smallest Group in which Mabel Mezzco Limited and its subsidiaries are consolidated.

The Group, which is the largest Group in which the company is consolidated, headed by Mabel Topco Limited publishes consolidated financial statements which incorporate the results of the company and which are available from Companies House.

The Directors consider that there is no one ultimate controlling party of the Group.

A copy of these financial statements can be obtained through Companies House or by written request to company at the following address: The Secretary, 76 Wardour Street, London, W1F 0UR. Bondholders who have registered with the company's website may download a copy from the investor section of the company's website.

28 Transition to FRS 102

This is the first period that the Group and Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the period ended 26 April 2015. The date of transition to FRS 102 was 28 April 2014.

Set out below are the changes in accounting policies which reconcile profit for the financial period ended 26 April 2015 and the total equity as at 28 April 2014 and 26 April 2015 between UK GAAP a previously reported and FRS 102.

Loss for the financial period	**Period ended 26 April 2015**
	£'000
UK GAAP as previously reported	(18,982)
(A) Rent free period for operating leases	(15)
Total adjustment to loss before tax	**(15)**
(B) Deferred tax liability in respect of rollover gain	(500)
Total adjustment to tax expense	**(500)**
FRS 102	**(19,497)**

28 Transition to FRS 102 (continued)

Total equity	Period ended 26 April 2015
	£'000
UK GAAP as previously reported	**39,725**
(A) Rent free period for operating leases	(15)
(B) Deferred tax liability for rollover relief	(500)
FRS 102	**39,210**

(A) Rent free period for operating leases

Under previous UK GAAP operating lease incentives, including rent free periods and capital contributions, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 requires that such incentives be spread over the lease period.

The Group has taken advantage of the exemption for existing leases at the transition date to continue to recognise these lease incentives on the same basis as previous UK GAAP. Accordingly the FRS 102 accounting policy has been applied to new operating leases entered into since 28 April 2014 and the operating lease charge has increased by £15,000 for the period to 26 April 2015.

(B) Deferred tax on rollover gain

Under previous UK GAAP no deferred tax liability was recognised in respect of the rolled over gain on disposal of the Haymarket site on the basis that the Group had acquired replacement assets in excess of the value of the gain. FRS 102 requires that deferred tax is recognised in respect of the gain rolled over even when replacement assets are acquired. Accordingly a deferred tax liability to the value of £500,000 has been recognised in the period ended 26 April 2015.

Company

There were no adjustments to the Company's balance sheet at 28 April 2014 or 26 April 2015 on transition to FRS 102.