wagamama

Mabel Mezzco Limited

Full year report
as at and for the 53-week period to
April 29, 2018

Fourth Quarter 2018[1] highlights

Financial highlights

- 7.7% UK like for like sales growth in Q4.
- Group turnover[2] increased 11.1% to £71.1 million in Q4 2017/18.
- 10.3% UK outperformance in Q4 and traded ahead of the competition consistently for over 4 years (220 weeks).

Operational highlights

- One new UK restaurant opened in Colchester. 4 new franchise restaurants opened in Austria, Netherlands, Spain and Cyprus.
- 10 refurbishments have been completed in Q4, bringing Kaizen design and additional covers where possible to the existing estate.
- Further brand investment in our people, product and property.

Full Year 2018[3] highlights

Financial highlights

- 7.4% UK like for like sales growth in FY 2017/18.
- Group turnover increased 13.0% to £300.6 million in FY 2017/18.
- Adjusted EBITDA up 0.4% in FY 2017/18 to £45.7 million (FY 2016/17: £45.5 million).
- The Group refinanced its bond debt in July 2017 resulting in a new bond issue of £225 million with coupon of 4.125%.

Operational highlights

- Continued expansion of our restaurants in the UK and US (9 new openings in the year):
  - 7 new UK restaurants opened in FY 2017/18– St Peters Manchester, Bedford, Leeds, White Rose, Cheltenham, Bracknell, Reigate and Colchester.
  - 2 new US restaurants opened at Boston Seaport and East Village, New York City.
- 31 refurbishments have been completed in FY 2017/18, bringing Kaizen design and additional covers where possible to the existing estate.
- 13 new franchise restaurants opened - Madrid (4 restaurants), Bergamo, Jeddah, Doha, Qurum, Malpensa, Dubai Mall, Parndorf, Utrecht and Larnaca.

NB: FY 2017/18 is a 53 week year compared to FY 2016/17 which was 52 weeks. All numbers reported above are 52 week equivalents – a reconciliation to the 53 week financial year adjusted EBITDA is provided on page 8. All other quarterly or full year financial information on the following pages is provided on a 13 or 53 week basis respectively unless otherwise stated.

[1] Fourth quarter is 13 weeks to 29 April 2018, however group turnover reported above represents 12 weeks to 22 April 2018 for comparability

[2] Turnover includes franchise income

[3] Full year 2018 is 53 weeks to 29 April 2018, however group turnover and Adjusted EBITDA reported above represent 52 weeks to 22 April 2018 for comparability

Jane Holbrook, CEO, commented

‘We’ve continued to perform really strongly in the year with 7.4% UK like for like sales growth.

This strong trading performance allows us to invest further in innovation to strengthen our brand and differentiate ourselves over the longer term.

Wagamama’s continued success is really down to all of the amazing people that work in the business and I’d like to thank them for their passion and commitment to the Wagamama family.’

Results of operations

Fourth Quarter 2017/18 compared with Fourth Quarter 2016/17

Turnover

Turnover increased 20.6% to £77.2 million in Q4 2017/18 (11.1% to £71.1 million on a 12 week basis) from £64.0 million in Q4 2016/17. A geographic and business line analysis of our turnover follows:

£ million	**Q4 2017/18 13 weeks**	**Q4 2017/18 12 weeks**	**Q4 2016/17 12 weeks**	**% change 12 weeks**
Company-operated UK	73.8	68.0	60.8	11.8%
Company-operated US	2.5	2.3	2.5	-8.0%
Franchise	0.9	0.8	0.7	14.3%
Total	**77.2**	**71.1**	**64.0**	**11.1%**

Company-operated restaurants

Turnover in the United Kingdom increased 21.4% to £73.8 million (11.8% to £68.0 million on a 12 week basis) in Q4 2017/18 from £60.8 million in Q4 2016/17. This was due to an 7.7% like for like sales increase and an increase in the number of restaurants from 124 open at the end of Q4 2016/17 to 130 open at the end of Q4 2017/18.

Turnover in the United States remained flat (increase of 14.7% in USD terms) at £2.5 million ($3.5 million) in Q4 2017/18 from £2.5 million ($3.1 million) in Q4 2016/17. On a 12 week basis, turnover decreased by -8.0% (-2.1% in USD terms) to £2.3 million ($3.0 million) in Q4 2017/18 from £2.5 million ($3.1 million) in Q4 2016/17 reflecting a 2.5% decrease in like-for-like sales.

International franchised restaurants

Turnover from our international franchised restaurants increased 28.6% to £0.9 million (14.3% to £0.8 million on a 12 week basis) in Q4 2017/18 from £0.7 million in Q4 2016/17 due to the increase in the number of franchised restaurants opened from 44 at the end of Q4 2016/17 to 56 open at the end of Q4 2017/18.

Cost of sales

Gross margin has increased from £27.7 million in Q4 2016/17 to £31.7 million in Q4 2017/18. The 53rd trading week, the growth in the estate and the like for like sales growth were the primary causes of this increase. This further includes the impact of supply chain and National Living Wage cost increases.

Administrative expenses before exceptional items

Administrative expenses before exceptional items increased 15.4% to £27.0 million in Q4 2017/18 from £23.4 million in Q4 2016/17. In addition to an additional trading week, this was primarily due to overhead costs and depreciation commensurate with the addition of new restaurants and the increase in central overhead expenses, again reflecting the increase in estate size. This includes the impact of business rates increases and our decision to invest in maintenance to ensure our estate is in the best position possible.

Net interest payable and similar charges

Net interest payable and similar charges (before exceptional items) decreased from £3.1 million in Q4 2016/17 to £2.3 million in Q4 2017/18 reflecting a lower interest rate on the Group's bond debt from the date of refinancing in July 2017 and a reduced level of bank facility fees.

Tax on loss on ordinary activities

The tax charge on profit on ordinary activities increased from £1.5 million in Q4 2016/17 to £2.6 million in Q4 2017/18.

FY 2017/18 compared with FY 2016/17

Turnover

Turnover increased 15.3% to £306.8 million in FY 2017/18 (13.0% to £300.6 million on a 12 week basis) from £266.1 million in FY 2016/17. A geographic and business line analysis of our turnover follows:

£ million	**FY 2017/18 53 weeks**	**FY 2017/18 52 weeks**	**FY 2016/17 52 weeks**	**% change 52 weeks**
Company-operated UK	293.3	287.5	255.2	12.7%
Company-operated US	10.3	10.1	8.3	21.7%
Franchise	3.1	3.0	2.6	15.4%
Total	**306.7**	**300.6**	**266.1**	**13.0%**

Company-operated restaurants

Turnover in the United Kingdom increased 14.9% to £293.3 million (12.7% to £287.5 million on a 52 week basis) in FY 2017/18 from £255.2 million in FY 2016/17. This was due to a 7.4% like for like sales increase and the increase in the number of restaurants from 124 open at the end of FY 2016/17 to 130 open at the end of FY 2017/18.

Turnover in the United States increased 24.1% (increase of 27.9% in USD terms) to £10.3 million ($13.8 million) in FY 2017/18 from £8.3 million ($10.8 million) in FY 2016/17. On a 52 week basis, turnover increased by 21.7% (25.5% in USD terms) to £10.1 million ($13.6 million) in FY 2017/18 from £8.3 million ($10.8 million) in FY 2016/17. This reflects growth in like-for-like sales and the opening of 2 new restaurants in New York City and Boston since FY 2016/17.

International franchised restaurants

Turnover from our international franchised restaurants increased 19.2% to £3.1 million (15.4% to £3.0 million on a 52 week basis) in FY 2017/18 from £2.6 million in FY 2016/17 due to the increase in the number of franchised restaurants opened from 44 at the end of FY 2016/17 to 56 open at the end of FY 2017/18.

Cost of sales

Gross margin has increased from £115.4 million in FY 2016/17 to £128.8 million in FY 2017/18. The 53rd trading week, the growth in the estate and the like for like sales growth were the primary causes of this increase. This further includes the impact of supply chain and National Living Wage cost increases.

Administrative expenses before exceptional items

Administrative expenses before exceptional items increased 16.5% to £109.3 million in FY 2017/18 from £93.8 million in FY 2016/17. In addition to an additional trading week, this was primarily due to overhead costs and depreciation commensurate with the addition of new restaurants and the increase in central overhead expenses, again reflecting the increase in estate size. This includes the impact of business rates increases and our decision to invest in maintenance to ensure our estate is in the best position possible.

Net interest payable and similar charges

Net interest payable (before exceptional items) decreased from £13.1 million in FY 2016/17 to £10.8 million in FY 2017/18 reflecting a lower interest rate on the Group's bond debt from the date of refinancing in July 2017.

Tax on loss on ordinary activities

The tax charge on profit on ordinary activities decreased from £3.9 million in FY 2016/17 to £3.2 million in FY 2017/18 due to exceptional charges resulting in a loss before tax.

Liquidity and capital resources

Cash flow

The cash balance at the end of Q4 2017/18 was £29.3 million compared to a balance of £34.0 million at the end of Q4 2016/17.

The cash inflow of £1.6 million in Q4 2017/18 increased from an outflow of £9.7 million in Q4 2016/17 reflecting a change in timing of interest payments on the Group's bond debt post-refinancing, a lower level of capital expenditure and a higher working capital inflow.

The cash outflow of £4.5 million in FY 2017/18 increased from an outflow of £1.5 million in FY 2016/17. The net cash inflow from the Group's refinancing in July 2017 has been offset by the payment of a dividend, the cash element of the exceptional charge and a working capital outflow.

Net cash inflow from operating activities

Net cash inflow from operating activities increased 31.1% to £10.2 million in Q4 2017/18 from £7.8 million in Q4 2016/17. This was due to the increase in trading EBITDA (including the impact of an additional trading week) and an improvement in working capital.

Taxation cash outflows increased 21.5% to £0.6 million in Q4 2017/18 from £0.5 million in Q4 2016/17.

Net cash inflow from operating activities decreased 19.3% to £36.1 million in FY 2017/18 from £45.0 million in FY 2016/17. This was due to the increase in Adjusted EBITDA being offset by the cash element of the exceptional charge and a working capital outflow.

Taxation cash flows increased from £2.5 million in FY 2016/17 to £4.4 million in FY 2017/18 as a result of timing of payments on account.

Net cash outflow from investing activities

Net cash outflow from capital expenditure decreased 27.3% to £8.0 million in Q4 2017/18 from £11.0 million in Q4 2016/17. This was principally driven by earlier timing of new openings and refurbishments in the year.

Net cash outflow from capital expenditure increased 2.0% to £32.7 million in FY 2017/18 from £32.1 million in FY 2016/17. This reflects a lower level of new openings expenditure with 9 new openings in FY 2017/18 compared to 10 in FY 2016/17 but an increased level of investment in maintenance of the existing estate.

Net cash inflow/outflow from financing

Net cash flow from financing decreased to a £0.1 million outflow in Q4 2017/18 from a £6.0 million outflow in Q4 2016/17 as a result of a change in timing of interest payments on the Group's bond debt post-refinancing.

Net cash flow from financing decreased to a £3.8 million outflow in FY 2017/18 from a £12.1 million outflow in FY 2016/17. The reduced outflow in FY 2017/18 results from the Group's refinancing in July 2017 where a new £225 million bond was issued. The proceeds of the new 4.125% Senior Secured notes due 2022 were used to repay the Group's existing £150 million 7.875% Senior Secured Notes due 2020 and the associated redemption premium, accrued interest and fees. One semi-annual interest payment has been made since this date. The cash outflow in FY 2016/17 reflected payment of the semi-annual interest on the Group's previous senior secured notes.

Capital expenditures

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

	For the period ended		For the YTD period ended	
	April 29, 2018 13 weeks	April 23, 2017 12 weeks	April 29 2018 53 weeks	April 23, 2017 52 weeks
New site capital expenditures	2.1	6.7	15.8	18.1
Refurbishment expenditures	2.9	2.1	7.8	8.1
Maintenance expenditures	2.1	1.1	5.9	2.9
Other capital expenditures*	0.8	1.2	3.2	3.0
Total capital expenditures	**7.9**	**11.1**	**32.7**	**32.1**
Corporate expenses	-	-	0.4	0.1

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

Estate summary

We opened 1 new restaurant in Q4 2017/18 and 9 restaurants in FY 2017/18 compared to 2 restaurants in Q4 2016/17 and 10 restaurants in FY 2016/17. The increase in the number of franchised restaurants reflects new openings in Madrid (4 restaurants), Bergamo, Jeddah, Doha, Qurum, Malpensa, Dubai Mall, Parndorf, Utrecht and Larnaca in FY 2017/18.

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

	For the period ended		For the YTD period ended	
	April 29, 2018 13 weeks	April 23, 2017 12 weeks	April 29, 2018 53 weeks	April 23, 2017 52 weeks
Company-operated restaurants[1]	**135**	**128**	**135**	**128**
United Kingdom restaurants	130	124	130	124
United States restaurants	5	4	5	4
Company-operated restaurant openings during the period	1	2	9	10
Company-operated restaurants closures during the period	0	(1)	(2)	(6)
Franchised[2]	56	44	56	44
Total	**191**	**172**	**191**	**172**

(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, Cyprus, Slovakia, Turkey, Qatar, United Arab Emirates, Bahrain, New Zealand, Gibraltar, Saudi Arabia, Bulgaria, Spain, Italy and Oman.

Key performance indicators

	For the period ended		For the YTD period ended		LTM
	April 29, 2018 13 weeks	April 23, 2017 12 weeks	April 29, 2018 53 weeks	April 23, 2017 52 weeks	April 29, 2018 53 weeks
			(£ millions)		
UK Like-for-like sales growth (%)	7.7%	5.3%	7.4%	8.2%	7.4%
EBITDAR	17.0	15.4	67.9	64.2	67.9
Rent Expense	6.2	5.4	25.3	21.8	25.3
EBITDA	10.8	10.0	42.6	42.4	42.6
EBITDA Margin (%)	14.1%	15.8%	14.0%	16.1%	14.0%
Adjusted EBITDA[1]	11.5	10.7	46.6	45.5	46.6
Adjusted EBITDA margin (%)	15.1%	16.9%	15.3%	17.3%	15.3%
Adjusted EBITDA – 52 week	10.6	10.7	45.7	45.5	45.7
Adjusted EBITDA margin (%)	15.1%	16.9%	15.3%	17.3%	15.3%
Net total indebtedness[2]					192.8
Ratio of net total indebtedness to Adjusted EBITDA............................					4.2

(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:

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

	For the period ended		For the YTD period ended		LTM
	April 29, 2018 13 weeks	April 23, 2017 12 weeks	April 29, 2018 53 weeks	April 23, 2017 52 weeks	April 29, 2018 53 weeks
			(£ millions)		
Profit/loss for the financial period ..	(7.5)	0.9	(14.1)	5.4	(14.1)
Tax on profit/loss on ordinary activities.....................................	2.6	1.5	3.2	3.9	3.2
Net interest payable and similar charges.....................................	2.3	3.0	10.6	12.9	10.6
Exceptional[c] expenses/(income)..	7.3	(1.2)	19.7	(0.6)	19.7
Goodwill amortisation	2.1	2.1	9.1	9.1	9.1
Depreciation and impairment of tangible assets	3.5	3.5	13.6	11.2	13.6
Loss on disposal of assets	0.5	0.2	0.5	0.5	0.5
EBITDA...	10.8	**10.0**	**42.6**	**42.4**	**42.6**
Pre-opening costs[a].......................	0.7	0.7	3.6	3.0	3.6
Corporate expenses[b]	-	-	0.4	0.1	0.4
Adjusted EBITDA.........................	11.5	**10.7**	**46.6**	**45.5**	**46.6**
53rd week	(0.9)	**-**	(0.9)	**-**	(0.9)
Adjusted EBITDA - 52 week........	**10.6**	**10.7**	**45.7**	**45.5**	**45.7**

(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 represent fees paid to our principal shareholders and security agent under our 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.
(c) For the period ended 29 April 2018 exceptional expenses included administrative expenses incurred as part of the Group's refinancing in July 2017 including a redemption premium of £5.9 million and the write off of previously capitalised refinancing fees relating to the Group's existing 7.875% Senior Secured Notes due 2020 of £2.8 million. Also included are salary and settlement costs in respect of former CEO David Campbell and movements in the Group's impairment and onerous lease provisions.

Strategic review of growth options

Our review of strategic growth options for the business with our advisor Goldman Sachs is ongoing as we pursue our vision of being an iconic global brand.

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 22 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 13 weeks ended April 29, 2018 (“Fourth Quarter 2017/18”, "Q4 2017/18", or “the Quarter”), and the comparative period as of and for the 12 weeks ended April 23, 2017 (“Fourth Quarter 2016/17” or "Q4 2016/17"), prepared in accordance with FRS 102.

- the audited consolidated financial information of the Group as of and for the 53 weeks ended April 29, 2018 (“FY 2017/18”) and the comparative period as of and for the 52 weeks ended April 23, 2017 (“FY 2016/17”) 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 2017/18 financial year will ended on April 29, 2018 and constitutes a 53-week period.

Further information for noteholders

This report was prepared in accordance with the indenture dated July 10, 2017 among Wagamama Finance plc, as Issuer, the guarantors named therein, U.S. Bank Trustees Limited, as Trustee and Security Agent and Elavon Financial Services DAC, UK Branch, as paying agent.

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 quarterly 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. The 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.

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/(Adj.) EBITDA, Adjusted/(Adj.) EBITDA margin, new site capital expenditures, refurbishment 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/(Adj.) 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 company operated sales.
- We define “Adjusted/(Adj.) EBITDA” as EBITDA adjusted for the impact of restaurant pre-opening costs and corporate expenses. We define LTM performance as FY 2017/18 full year results.
- We define “Adjusted/(Adj.) EBITDA margin” as Adjusted EBITDA divided by turnover.
- We define “sales” as income generated from company operated restaurants. We define “turnover” as income generated from company operated restaurants and franchise income.
- 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 and/or United States 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.

Mabel Mezzco Limited

Annual report and financial statements

for the period ended 29 April 2018

Registered number: 07556501

Mabel Mezzco Limited

Contents

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Mabel Mezzco Limited

Management review
for the period ended 29 April 2018

Jane Holbrook, CEO, commented

'We've continued to perform really strongly in the year with 7.4% UK like for like sales growth.

This strong trading performance allows us to invest further in innovation to strengthen our brand and differentiate ourselves over the longer term.

Wagamama's continued success is really down to all of the amazing people that work in the business and I'd like to thank them for their passion and commitment to the Wagamama family.'

Group highlights

- 7.4% UK like for like sales growth, increasing the gap between us and the competition.
- Group turnover increased by 15.3% to £306.7 million (13.0% to £300.6 million on a 52 week basis).
- Group Adjusted EBITDA increased by 2.4% to £46.6m (0.4% to £45.7 million on a 52 week basis).
- Expansion of our restaurant estate in the UK and US with 9 new company operated openings and 13 new franchise restaurants in the year.

Operational highlights

- Further investment in training and development of our people.
- Continued innovation in food, customer experience and technology including our highly successful vegan menu launch.
- Expansion of our restaurant estate in the UK and US with 9 new company operated openings and 13 new franchise restaurants in the year.
- 31 restaurant refurbishments completed.
- Continued focus on sustainability and responsible sourcing.

Further investment in and recognition of our people has been a key focus in the year. We have made a step change in how we attract quality team members but also how we retain them through enhanced training, increased benefits and development opportunities for our teams. We are pleased to see a positive impact of these changes in our team feedback, Glassdoor ratings and our team turnover.

We have expanded our estate in the year to include 7 new restaurants in the UK and 2 in the USA. Based on our successful trading we have also been able to invest in our existing restaurants and have completed 31 refurbishments in the year, impacting both front and back of house. The refurbishments have brought kaizen design and additional covers where possible to the front of house, and increased capacity and improved working conditions in the back of house. In addition, we have increased our investment in discretionary maintenance to ensure that our estate is in good condition in both back of house and customer facing areas.

Our franchise business has also continued to grow in the year with 13 new openings across Europe and the Middle East, including our entry to several new territories including Spain and Italy.

During the year, we have also continued to innovate and develop both our menu and customer experience. The launch of our vegan menu in Autumn 2017 has been highly successful, not only delivering strong sales but also enhancing our links with the vegan community within the business and more widely, including several collaborations.

Management review
for the period ended 29 April 2018 (continued)

The launch of the wagamamago app in March 2018 was a further highlight in the year. As the first restaurant group to be able to offer seamless walk out payment technology to our customers, we are delighted to see the positive impact that the app is having on the dining experience of our customers.

Spreading positivity from bowl to soul remains a fundamental philosophy underpinning the way our business operates. During the year, we have delivered a series of sustainability projects, including ensuring all our restaurant electricity now comes from renewable sources as well as being the first UK casual dining chain to introduce biodegradable straws across our estate.

We have also continued to support our communities at both a local and national level, including a collaboration with the 'Mind' charity on our mindfulness campaign.

As part of being a responsible tax payer, we have paid £4.3 million of direct corporate taxes in the year and have further contributed indirect taxes in excess of £74.0 million, including VAT, social security, property and local taxes.

Financial highlights

- Group turnover increased by 15.3% to £306.7 million (13.0% to £300.6 million on a 52 week basis).
- 7.4% UK like for like sales growth, trading ahead of the competition consistently for over 4 years.
- Group Adjusted EBITDA increased by 2.4% to £46.6m (0.4% to £45.7 million on a 52 week basis).
- The Group refinanced its bond debt in July 2017 resulting in a new bond issue of £225 million with coupon of 4.125%.

Turnover for the 53 week period increased by 15.3% (13.0% on a 52 week basis) driven by like for like growth of our existing estate in both the UK and US together with the opening of 9 new company operated restaurants.

Our UK restaurants delivered like for like growth of 7.4%. We have now traded ahead our peer group restaurants every week for more than 4 years and are extremely encouraged as the gap to the market has further widened during the year.

Our Group Adjusted EBITDA increased by 2.4% (0.4% on a 52 week basis). During the year strong topline growth has allowed us the make discretionary brand building investments in our people, product and property as highlighted in our operational review, as well as managing the challenges of National Living Wage, business rates increases and supply chain pressures which have been impacting the wider consumer and casual dining market.

Operating profit (pre-exceptional costs) for the period was £19.5 million.

During the year the Group refinanced its bond in July 2017, whereby the Group's bond debt of £150 million was repaid in full and a new bond issue to the value of £250 million was completed. This resulted in exceptional costs of £8.7 million. Further exceptional costs of £11.0 million resulted principally from executive restructuring costs and impairment charges in respect of a small number of sites not performing in line with our expectation. Operating profit post exceptional costs was £8.5 million compared to £22.2 million in the previous financial year.

The Group made a loss for the year of £14.1m after financing costs and tax.

Outlook

We remain relatively cautious about the immediate outlook given market conditions, but with our successful and growing UK and international footprint, combined with our consistent performance and strong cash generation, we remain confident in our ability to identify opportunities and manage through the challenges ahead.

Mabel Mezzco Limited

Strategic report
for the period ended 29 April 2018

Introduction

The directors present their Strategic report for the 53 week period ended 29 April 2018 (2017 - 52 weeks ended 23 April 2017).

The Company acts as an intermediate holding company for the Mabel Topco Group ("the Group"), which operates a chain of pan-Asian restaurants, 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 financial statements on pages 14 to 45. During the period an intragroup dividend of £59.7 million was declared and paid to the immediate parent company, Mabel Midco Limited (2017: £nil).

The Group continued with its expansionary activities during the period, with 9 restaurants opened and 2 closed. By the end of the period, the Group's estate had grown to 130 restaurants in the UK and 5 in the USA as well as 56 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.

On 10 July 2017, a refinancing of the Mabel Topco Group was completed. At this date, the Group's bond debt of £150m was repaid in full and a new bond issue to the value of £225m was completed. The proceeds of this refinancing were used to reduce the Group's shareholder debt.

Excluding exceptional charges and exceptional administrative expenses, the Group recorded a profit before taxation of £8.9 million (2017: £8.6 million).

As a result of exceptional charges relating to the Group's refinancing of £8.7 million (2017: £nil) and exceptional administrative expenses of £11.0 million (2017: income of £0.6 million), the Group recorded a pre-tax loss for the financial period of £10.9 million.

Key Performance Indicators (KPIs)

The directors consider the following to be key indicators of the performance of the Group, both financial and non-financial. These KPIs include reference to both adjusted EBITDA and restaurant EBITDA which are non-GAAP performance measures. These are used for internal performance and investor reporting on the basis that these provide a clearer review of the trading results of the Group, excluding items considered to be one-off or non-trading income and expense. A reconciliation of these measures is provided in note 27 of these financial statements.

Strategic report
for the period ended 29 April 2018 (continued)

Key Performance Indicators (KPIs) (continued)

	Period ended 29 April 2018 £'000	Period ended 23 April 2017 £'000
Turnover	**306,713**	266,109
Earnings before interest, tax depreciation, amortisation, set-up costs and certain head-office costs ("adjusted EBITDA")	**46,567**	45,477
Restaurant EBITDA	**62,327**	60,237
	Number	Number
Number of company operated restaurants	**135**	128
Average number of employees	**5,719**	5,077

Turnover grew by 15.3% and adjusted EBITDA by 2.4%. Restaurant EBITDA (being adjusted EBITDA before central costs) grew by 3.5%.

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.

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 next financial period 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.

Financial risks

Foreign exchange risk

The Group's principal operating segment relates to the UK restaurant business, however the growth of the Group's US restaurant business does expose the Group to an increased level of foreign exchange risk.

A significant proportion of this risk is mitigated by a natural hedge given that employees and suppliers of the US business are predominantly paid in US dollars from sales revenue generated in the USA, however the Group has used financial instruments to manage its remaining foreign exchange risk as part of an overall FX risk management strategy.

Mabel Mezzco Limited

Strategic report
for the period ended 29 April 2018 (continued)

Financial risks (continued)

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

The Group adopts a prudent approach to liquidity risk management, maintaining sufficient cash and short-term deposits and the availability of funding through an adequate amount of committed credit facilities. On the basis of the cash deposits held and ongoing cash generation through the Group's restaurant operations, the Group is able to fully meet all of its obligations as they fall due.

Cash flow and fair value interest rate risk

The Group is financed through a mixture of a high yield bond (coupon 4.125%) and loan notes. These borrowings are in Sterling at fixed interest rates. The Group is therefore able to plan and manage its interest commitments.

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

N Taylor
Director
9 August 2018

Mabel Mezzco Limited

Directors' report
for the period ended 29 April 2018

The directors present their report and audited consolidated financial statements for the 53 week period ended 29 April 2018 (2017 - 52 weeks ended 23 April 2017).

Business review and future developments

We have included our business review and discussion of future developments in the Strategic report on page 4.

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 14 to 45. During the period an intragroup dividend of £59.7 million was declared and paid to the immediate parent company Mabel Midco Limited (2017: £nil).

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 (resigned 23 February 2018)
D Campbell (resigned 2 June 2017)
M Moretti (appointed 23 February 2018)
M H Collins
P L Taylor
J S Holbrook
N Taylor (appointed 17 May 2017)

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 pages 4 to 6 for further discussion on financial risk management.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial 53 week period. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

Statement of directors' responsibilities in respect of the financial statements (continued)

- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors of the ultimate parent company are responsible for the maintenance and integrity of the of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

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 12-month period from the date of signing the annual report and financial statements. 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.

Directors' Indemnity

Qualifying third party indemnity provisions as defined by the Companies Act 2006 were in force for the benefit of Directors throughout the period and up to the date of approval of the financial statements.

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

N Taylor
Director
9 August 2018

Company registered number: 07556501

Mabel Mezzco Limited

Independent auditors' report to the members of Mabel Mezzco Limited

Report on the audit of the financial statements

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 29 April 2018 and of the group's loss and cash flows for the 53 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the group and company balance sheets as at 29 April 2018; the group profit and loss account and statement of comprehensive income, the group cash flow statement, and the group and company statements of changes in equity for the period ended 29 April 2018; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

- Overall group materiality: £2,082,100 (2017: £2,000,000), based on 5% of EBITDA, before exceptional items.
- Overall company materiality: £1,231,300 (2017: £1,231,300), based on 1% of net assets.

- Four legal entities including the parent company are in full scope for the Group audit comprising Wagamama Limited, Mabel Bidco Limited and Wagamama Finance plc.
- Specific audit procedures on certain balances in Wagamama CPU Limited, Wagamama International (Franchising) Limited; Wagamama, Inc and Wagamama USA 2015 LLC were performed.
- Coverage of 97% of the Group's revenue, 98% of the Group EBITDA, 95% of the total assets and 100% of the Group's finance capital and interest expense gained through our scoping of the Group audit.

- Impairment of restaurant assets and assessment of onerous leases (Group only).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

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

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	*How our audit addressed the key audit matter*
Impairment of restaurant assets and assessment of onerous leases (Group only) Management performed an assessment of the Group's UK and US restaurant assets for indication of impairment and onerous leases. Management considered each restaurant to be a cash generating unit ("CGU") and performed a review of the EBITDA results for each restaurant to assess whether impairments existed. Where there were indicators of impairment, i.e. open for longer than 3 years, with EBITDA less than £100,000, a detailed discounted cash flow assessment was performed. Where it was felt by management that a new restaurant (within 3 years of opening) would not perform at the desired level in the future, these too were assessed in more detail. For the purposes of this assessment the net present value (NPV) is calculated using budgeted growth assumptions, extrapolated to the end of the restaurant lease, discounted back to the present value. An impairment has been recognised against the net book value of the restaurant assets in the instances where their value is not recoverable through the discounted future cash flows. Furthermore, consideration was given to leases where the restaurants have been closed or are loss-making to the extent that they cannot cover their unavoidable property costs and are therefore classified as onerous leases. We focused on this area because there is significant judgement involved in the impairment assessment and determination of the onerous lease charge. We obtained evidence over the resulting valuation of restaurant assets through reviewing the completeness and accuracy of management's impairment assessment and onerous lease charge calculations.	We obtained and examined management's impairment analysis and obtained an understanding of management's basis for deciding whether or not the assets of an individual restaurant would be subject to an impairment review. We performed a review of the results for all sites to ensure that management's identification of loss making sites was complete. We agreed individual restaurant performance and value of restaurant assets to underlying records and confirmed that those which indicated potential impairment were subject to further analysis. With respect to the provision for onerous leases, we checked that restaurants assessed for onerous leases are those that were identified, and whose assets were impaired, following the restaurant impairment review. We tested the models, including comparing the forecasts to approved budgets and testing the underlying calculations. No material exceptions were noted. We challenged and evaluated management's assumptions and performed sensitivity testing for reasonable possible changes in these assumptions. In relation to the allocation of the central costs, we have confirmed that all costs directly attributable to the restaurants have been considered within the restaurant EBITDA. Where an improvement in results was not foreseen, we confirmed that site assets were impaired appropriately and an onerous lease provision booked. In the instances where a historical provision for impairment has been reversed we have reviewed historical trends for the restaurant sites and have further sensitised management's EBITDA projections to confirm the appropriateness of the release of the provision. Based on our audit work performed, we concur with the provision for impairment and onerous leases.

We determined that there were no key audit matters applicable to the company to communicate in our report.

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

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The business has two primary revenue streams comprising revenue arising from restaurants in the UK and the US and franchise revenue. The Group comprises eight companies incorporated in the UK and seven companies incorporated in the US. The eight UK companies include the parent company, the financing company, Wagamama Finance plc, intermediate holding companies, Mabel Bidco Limited, Ramen USA Limited and Wagamama Group Limited, the three trading related entities Wagamama Limited, Wagamama CPU Limited and Wagamama International (Franchising) Limited; and one dormant company, Wagamama Newco Limited. In addition to being an intermediary holding company Mabel Bidco Limited is also the holder of the capitalised finance costs. The seven USA incorporated entities comprise the intermediate holding company, Wagamama USA Holdings, Inc, trading companies for the US, Wagamama, Inc and Wagamama USA 2015 LLC and four lease and licence companies.

The audit scope, including the parent company, comprised four components, including Wagamama Limited, for which we determined that a full scope audit would need to be performed due to the significance of its EBITDA, total revenue and total assets in the context of the Group, and Mabel Bidco Limited and Wagamama Finance plc, which were determined to be in-scope as their balances comprise external funding and related transactions material to the Group. Specific audit procedures on certain balances in Wagamama CPU Limited, Wagamama International (Franchising) Limited; Wagamama, Inc and Wagamama USA 2015 LLC were performed. This collectively gave us coverage of 97% of the Group's revenue, 98% of the Group EBITDA, 95% of the total assets and 100% coverage over the finance capital and interest expense. This, together with the additional procedures performed at the Group level, including testing the consolidation process, gave us the evidence we needed for our opinion on the financial statements as a whole.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	***Company financial statements***
Overall materiality	£2,082,100 (2017: £2,000,000).	£1,231,300 (2017: £1,231,300).
How we determined it	5% of EBITDA, before exceptional items.	1% of net assets.
Rationale for benchmark applied	Earnings before interest, tax, depreciation, amortisation is a generally accepted auditing benchmark and taking EBITDA before exceptional charges provides us with a consistent year on year basis for determining materiality by eliminating the non-recurring disproportionate impact of exceptional items.	The Company is a holding Company for which net assets is a key indicator of position and performance. This is a generally accepted auditing benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £296,100 and £1,972,960. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £104,000 (Group audit) (2017: £100,000) and £61,500 (Company audit) (2017: £61,500) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

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

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 29 April 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

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

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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
- certain disclosures of directors' remuneration specified by law are not made; 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.

JS Jenkins

Julian Jenkins (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
9 August 2018

Mabel Mezzco Limited

Group profit and loss account for the period ended 29 April 2018

	Note	**Period ended 29 April 2018**	Period ended 23 April 2017
		£'000	£'000
Turnover	3	**306,713**	266,109
Cost of sales		**(177,929)**	(150,747)
Gross profit		**128,784**	115,362
Administrative expenses before exceptional items		**(109,250)**	(93,809)
Exceptional administrative (expense)/income	4	**(11,012)**	647
Administrative expenses		**(120,262)**	(93,162)
Operating profit	4	**8,522**	22,200
Interest receivable and similar income	7	**166**	192
Interest payable and similar charges	8	**(10,804)**	(13,126)
Exceptional charges	8	**(8,737)**	-
(Loss)/profit on ordinary activities before taxation		**(10,853)**	9,266
Tax on (loss)/profit on ordinary activities	9	**(3,204)**	(3,908)
(Loss)/profit for the financial period	24	**(14,057)**	5,358
(Loss)/profit for the financial period is attributable to:			
Owners of the Parent		**(14,057)**	5,358
		(14,057)	5,358

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

There are no material differences between the (loss)/profit on ordinary activities before taxation and the (loss)/profit 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 29 April 2018

	Note	**Period ended 29 April 2018**	Period ended 23 April 2017
		£'000	£'000
(Loss)/profit for the financial period		**(14,057)**	5,358
Other comprehensive (loss)/income:			
Foreign exchange differences arising on consolidation	24	**(1,042)**	547
Total comprehensive (loss)/income for the period		**(15,099)**	5,905
Total comprehensive (loss)/income attributable to:			
Owners of the Parent		**(15,099)**	5,905
		(15,099)	5,905

Mabel Mezzco Limited

Group balance sheet
as at 29 April 2018

	Note	29 April 2018 £'000	23 April 2017 £'000
Fixed assets			
Intangible assets	12	**119,886**	127,431
Tangible assets	14	**112,773**	100,225
		232,659	227,656
Current assets			
Stocks	15	**2,017**	1,628
Debtors	16	**15,991**	10,184
Cash at bank and in hand		**29,312**	33,979
		47,320	45,791
Creditors: amounts falling due within one year	17	**(55,413)**	(53,216)
Net current liabilities		**(8,093)**	(7,425)
Total assets less current liabilities		**224,566**	220,231
Creditors: amounts falling due after more than one year	18	**(222,118)**	(146,932)
		2,448	73,299
Provisions for liabilities	21	**(9,397)**	(5,449)
Net (liabilities)/assets		**(6,949)**	67,850
Capital and reserves			
Called up share capital	23	**20,000**	20,000
Profit and loss account	24	**(26,949)**	47,850
Total shareholders' (deficit)/funds		**(6,949)**	67,850

The financial statements on pages 14 to 45 were approved by the board of directors on 9 August 2018 and signed on its behalf by:

N Taylor
Director

Mabel Mezzco Limited

Company balance sheet
as at 29 April 2018

	Note	29 April 2018	23 April 2017
		£'000	£'000
Fixed assets			
Investments	13	**123,137**	123,137
Current assets			
Debtors	16	-	-
			-
Creditors: amounts falling due within one year	17	-	-
Net current liabilities		-	-
Total assets less current liabilities		**123,137**	123,137
Net assets		**123,137**	123,137
Capital and reserves			
Called up share capital	23	**20,000**	20,000
Profit and loss account	24	**103,137**	103,137
Total shareholders' funds		**123,137**	123,137

The profit for the financial period dealt with in the financial statements of the Parent Company was £59,700,000 (2017: £24,452).

The financial statements on pages 14 to 45 were approved by the board of directors on 9 August 2018 and signed on its behalf by:

N Taylor
Director

Company registered number: 07556501

Mabel Mezzco Limited

Group statement of changes in equity for the period ended 29 April 2018

	Called up share capital	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000
Balance as at 25 April 2016	20,000	41,945	61,945
Profit for the financial period	-	5,358	5,358
Foreign exchange differences arising on consolidation	-	547	547
Total comprehensive income for the period	-	**5,905**	**5,905**
Dividends	-	-	-
Total transactions with owners recognised directly in equity	-	-	-
Balance as at 23 April 2017	**20,000**	**47,850**	**67,850**

	Called up share capital	Profit and loss account	Total shareholders' (deficit)/funds
	£'000	£'000	£'000
Balance as at 24 April 2017	**20,000**	**47,850**	**67,850**
Loss for the financial period	-	(14,057)	(14,057)
Foreign exchange differences arising on consolidation	-	(1,042)	(1,042)
Total comprehensive loss for the period	-	**(15,099)**	**(15,099)**
Dividends	-	(59,700)	(59,700)
Total transactions with owners recognised directly in equity	-	**(59,700)**	**(59,700)**
Balance as at 29 April 2018	**20,000**	**(26,949)**	**(6,949)**

Mabel Mezzco Limited

Company statement of changes in equity for the period ended 29 April 2018

	Called up share capital	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000
Balance as at 25 April 2016	20,000	103,113	123,113
Profit for the financial period	-	**24**	**24**
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	**24**	**24**
Dividends	-	-	-
Total transactions with owners recognised directly in equity	-	-	-
Balance as at 23 April 2017	**20,000**	**103,137**	**123,137**

	Called up share capital	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000
Balance as at 24 April 2017	**20,000**	**103,137**	**123,137**
Profit for the financial period	-	**59,700**	**59,700**
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	**59,700**	**59,700**
Dividends	-	(59,700)	(59,700)
Total transactions with owners recognised directly in equity	-	**(59,700)**	**(59,700)**
Balance as at 29 April 2018	**20,000**	**103,137**	**123,137**

Group cash flow statement
for the period ended 29 April 2018

	Note	Period ended 29 April 2018	Period ended 23 April 2017
		£'000	£'000
Net cash inflow from operating activities	(a)	**36,070**	44,977
Taxation		**(4,390)**	(2,509)
Net cash generated from operating activities		**31,680**	42,468
Cash flow from investing activities			
Interest received		**166**	192
Payments to acquire tangible fixed assets		**(32,700)**	(32,119)
Net cash used in investing activities		**(32,534)**	(31,927)
Cash flow from financing activities			
Dividend paid		**(59,700)**	-
Repayment of bonds		**(150,000)**	-
Issue of new bond		**225,000**	-
Finance costs related to bond issue		**(9,323)**	-
Interest paid		**(9,753)**	(12,067)
Net cash used in financing activities		**(3,776)**	(12,067)
Net (decrease) in cash and cash equivalents		**(4,630)**	(1,526)
Cash and cash equivalents at the beginning of the period		**33,979**	35,472
Exchange adjustments		**(37)**	33
Cash and cash equivalents at the end of the period		**29,312**	33,979

The notes on pages 23 to 45 form part of these financial statements.

Mabel Mezzco Limited

Group cash flow statement
for the period ended 29 April 2018 (continued)

	Period ended 29 April 2018	Period ended 23 April 2017
	£'000	£'000
Cash and cash equivalents consists of:		
Cash at bank and in hand	**29,312**	33,979
Cash and cash equivalents	**29,312**	33,979

Notes to the Group cash flow statement
for the period ended 29 April 2018

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

	Period ended 29 April 2018	Period ended 23 April 2017
	£'000	£'000
Operating profit	**8,522**	22,200
Amortisation	**9,115**	9,116
Depreciation	**13,725**	10,762
Increase in impairment provision	**1,738**	1,244
Loss on disposal of fixed assets	**462**	498
Increase in stocks	**(389)**	(224)
Increase in debtors	**(5,831)**	(2,467)
Increase in creditors	**5,147**	5,100
Increase/(decrease) in provisions for onerous leases	**3,581**	(1,252)
Net cash inflow from operating activities	**36,070**	44,977

Notes to the Group cash flow statement for the period ended 29 April 2018 (continued)

(b) Analysis of changes in net debt

	At 24 April 2017	Acquisitions	Cash flows	Other non-cash changes	At 29 April 2018
	£'000	£'000	£'000	£'000	£'000
Net cash:					
Cash at bank and in hand	33,979	-	(4,630)	(37)	**29,312**
Debt:					
Debt due after 1 year	(146,932)	(225,000)	150,587	(773)	**(222,118)**
Net debt	(112,953)	(225,000)	145,957	(810)	**(192,806)**

(c) Non-cash changes

	Period ended 29 April 2018	Period ended 23 April 2017
	£'000	£'000
Currency translation	**(37)**	33
Amortisation of loan issue fees	**(773)**	(1,128)
Rolled up interest	**-**	-
	(810)	(1,095)

Notes to the financial statements for the period ended 29 April 2018

1 Accounting policies

General information

Mabel Mezzco Limited is a private company limited by shares 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, as modified by the recognition of certain financial assets and liabilities measured at fair value, 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. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

The financial statements are prepared for the period up to the Sunday closest to 30 April being 29 April 2018. The comparative numbers used in the financial statements are for the 52 week period ended 23 April 2017.

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. The Company has further taken advantage of the exemption from preparing a cash flow statement, on the basis that it is a qualifying entity and the Group cash flow statement, included in these financial statements, includes the Company's cash flows.

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 29 April 2018 (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 royalties based on the sales results of the franchisee and up front initial site and territory fees. Royalty revenue is accrued in line with reported sales performance once revenue can be reliably measured. Up front initial site and territory fees are deferred and recognised on opening of the associated franchisee restaurant(s).

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
Software and IT development costs	–	over 3 to 10 years
Trademarks	–	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 over the remaining life of the lease and compared to the discounted committed rent payments for the remainder of the lease. 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 defined contribution pension schemes of certain of its employees but does not operate any scheme itself.

Current taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end

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.

Deferred taxation assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Exceptional items

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional charges'. These are disclosed separately to provide further understanding of the financial performance of the Group.

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.

Notes to the financial statements for the period ended 29 April 2018 (continued)

1 Accounting policies (continued)

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.

Derivatives are initially recognised at fair value and subsequently measured at fair value. Changes in the fair value of derivatives are recognised in profit and loss.

Investments

Investments in associated companies held at cost less accumulated impairment losses.

2 Key accounting estimates and judgements

The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements 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. 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 29 April 2018 (continued)

3 Turnover

The turnover and operating profit for the period was derived from the Group's principal continuing activity which was carried out primarily in the UK.

4 Operating profit

Operating profit is stated after charging:

		Period ended 29 April 2018	Period ended 23 April 2017
		£'000	£'000
Amortisation		**9,115**	9,116
Depreciation of owned fixed assets		**13,725**	10,762
Auditors' remuneration	- for auditors	**86**	77
	- for audit related assurance	**13**	13
	- for advisory taxation services	**129**	158
	- for compliance taxation services	**34**	32
	- for other services – included in exceptional administrative expenses	**128**	24
Operating lease costs		**25,254**	21,718
Loss on disposal of fixed assets		**462**	498
Exceptional administrative expense/(income)		**11,012**	(647)

Of the auditors' remuneration as auditors, £4,000 (2017: £4,000) related to the audit of Mabel Mezzco Limited and the consolidation, and £82,000 (2017: £73,000) related to the audit of subsidiary companies.

For the period ended 29 April 2018, the exceptional administrative expenses incurred comprise of expenditure relating to executive team restructuring (£3,411,000), costs relating to the Group's refinancing (£1,046,000), movements in onerous lease and impairment provisions (£6,202,000) and project development costs (£351,000).

For the period ended 23 April 2017, the exceptional administrative expenses incurred comprise of expenditure relating to infrastructure development in readiness for the Group's USA expansion (£568,000) offset by a release of onerous lease and impairment provisions relating to closed sites of £1,215,000.

5 Particulars of employees

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

	Period ended 29 April 2018	Period ended 23 April 2017
	Number	Number
Number of staff - total	**5,719**	5,077
Restaurants	**5,564**	4,947
Head Office	**155**	130

The aggregate payroll costs of the above were:

	Period ended 29 April 2018	Period ended 23 April 2017
	£'000	£'000
Wages and salaries	**105,153**	89,329
Social security costs	**8,873**	7,083
Other pension costs	**931**	742
	114,957	97,154

The Company has no employees (2017: 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 £931,000 (2017: £742,000).

6 Directors' emoluments

	Period ended 29 April 2018 £'000	Period ended 23 April 2017 £'000
Emoluments	1,683	1,198
Value of Company pension contributions to money purchase schemes	92	78
Compensation for loss of office	1,345	-
	3,120	1,276

Emoluments of highest paid director:

	Period ended 29 April 2018 £'000	Period ended 23 April 2017 £'000
Total emoluments (excluding pension contributions)	1,914	723
Value of Company pension contributions to money purchase schemes	25	47
	1,939	770

The number of directors to whom pension benefits are accruing at the period end is 2 (2017: 2).

No Directors (2017: none) received emoluments in respect of their services to the Company.

7 Interest receivable and similar income

	Period ended 29 April 2018 £'000	Period ended 23 April 2017 £'000
Bank interest receivable	166	192

8 Interest payable and similar charges

	Period ended 29 April 2018 £'000	Period ended 23 April 2017 £'000
Interest payable on bank borrowing	**144**	133
Bond interest	**9,817**	11,780
Amortisation of loan fees	**773**	1,128
Foreign exchange loss on derivatives	**70**	85
Interest and similar charges	**10,804**	13,126

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

Exceptional charges

	Period ended 29 April 2018 £'000	Period ended 23 April 2017 £'000
Exceptional charges	**8,737**	-

Exceptional charges of £8,737,000 result from the Group's refinancing in the year and comprise early redemption charges on the repayment of the previous £150,000,000 bond, and the write-off of the unamortised finance costs related to that bond.

Notes to the financial statements for the period ended 29 April 2018 (continued)

9 Tax on (loss)/profit on ordinary activities

(a) Analysis of charge in the period

	Period ended 29 April 2018	Period ended 23 April 2017
	£'000	£'000
Current tax:		
UK Corporation tax based on the results for the period at 19.0% (2017: 19.94%)	**2,124**	3,406
Adjustments in respect of prior periods	**713**	-
Overseas corporation tax	**-**	-
Total current tax	**2,837**	3,406
Deferred tax:		
Origination and reversal of timing differences – current period	**(172)**	165
Origination and reversal of timing differences – prior period	**539**	337
Changes in tax rates and laws	**-**	-
Total deferred tax	**367**	502
Tax on (loss)/profit on ordinary activities	**3,204**	3,908

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

(b) Factors affecting total tax charge

The tax assessed on the (loss)/profit on ordinary activities before taxation for the period differs (2017: differs) from the standard rate of corporation tax in the UK of 19.00% (2017: 19.94%). The main rate of corporation tax was reduced from 20% to 19% from 1 April 2017 and reduces further to 17% from 1 April 2020.

	Period ended 29 April 2018	Period ended 23 April 2017
	£'000	£'000
(Loss)/Profit on ordinary activities before taxation	**(10,853)**	9,266
(Loss)/Profit on ordinary activities multiplied by rate of tax 19.00% (2017: 19.94%)	**(2,062)**	1,848
Effects of:		
Expenses not deductible for taxation purposes	**2,760**	1,444
Group relief claimed	**(282)**	(802)
Differences in tax rates	**(919)**	(816)
Tax losses not recognised	**2,455**	1,897
Re-measurement of deferred tax – change in UK tax rate	**-**	-
Adjustment to tax charge in respect of prior periods	**1,252**	337
Total tax (note 9(a))	**3,204**	3,908

The Group had unrecognised deferred tax assets of £8,797,000 (2017: £6,342,000) 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.

10 Profit attributable to members of the Parent Company

The profit for the financial period dealt with in the financial statements of the Parent Company was £59,700,000 (2017: £24,452).

11 Dividends

During the period an intragroup dividend of £59.7 million was declared and paid to the immediate parent company Mabel Midco Limited (2017: £nil).

Notes to the financial statements for the period ended 29 April 2018 (continued)

12 Intangible assets

Group

	Goodwill	Trademarks	Software and IT Development	Total
	£'000	£'000	£'000	£'000
Cost				
As at 24 April 2017	181,989	182	-	182,171
Additions	-	-	-	-
Disposals	-	(2)	-	(2)
Reclassification from tangible assets	-	-	1,893	1,893
As at 29 April 2018	**181,989**	**180**	**1,893**	**184,062**
Accumulated amortisation				
At 24 April 2017	54,694	46	-	54,740
Disposals	-	(1)	-	(1)
Charge for the period	9,099	16	-	9,115
Reclassification from tangible assets	-	-	322	322
At 29 April 2018	**63,793**	**61**	**322**	**64,176**
Net book value				
At 29 April 2018	**118,196**	**119**	**1,571**	**119,886**
At 23 April 2017	127,295	136	-	127,431

13 Investments

Company	Group companies
	£'000
Cost	
At 24 April 2017	123,137
At 29 April 2018	**123,137**
Net book value	
At 29 April 2018	**123,137**
At 23 April 2017	123,137

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	Financing 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 NY 55 3rd LLC*	Delaware, USA	Lease company
Wagamama NY 1011 3rd LLC*	Delaware, USA	Lease company
Boston One LLC*	Delaware, USA	Licence company
Wagamama Group Limited*	England and Wales	Holding company
Wagamama Limited*	England and Wales	Restaurant chain
Wagamama International (Franchising) Limited*	England and Wales	Franchise company
Wagamama CPU Limited*	England and Wales	Food production company
Wagamama Newco Limited*	England and Wales	Dormant company

* Indirectly owned

13 Investments (continued)

The registered address for all companies based in England and Wales is 76 Wardour Street, London, W1F 0UR.

The registered address for all companies based in Delaware, USA is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

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 24 April 2017	103,094	39,211	142,305
Additions	15,304	15,172	30,476
Disposals	(3,082)	(8,889)	(11,971)
Reclassification to intangible assets	-	(1,893)	(1,893)
Foreign exchange difference	(743)	(157)	(900)
At 29 April 2018	**114,573**	**43,444**	**158,017**
Accumulated depreciation			
At 24 April 2017	27,692	14,388	42,080
Charge for the period	6,334	7,391	13,725
Impairment	1,907	(78)	1,829
Disposals	(3,040)	(8,469)	(11,509)
Reclassification to intangible assets	-	(322)	(322)
Foreign exchange difference	(429)	(130)	(559)
At 29 April 2018	**32,464**	**12,780**	**45,244**
Net book value			
At 29 April 2018	**82,109**	**30,664**	**112,773**
At 23 April 2017	75,401	24,822	100,225

The Company held no fixed assets.

15 Stocks

	29 April 2018		23 April 2017	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Food and other consumables	**1,418**	-	1,311	-
Merchandising	**599**	-	317	-
	2,017	-	1,628	-

The amount of inventories recognised as an expense during the period was £55,038,000 (2017: £46,752,000)

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

16 Debtors

	29 April 2018		23 April 2017	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Trade debtors	**3,209**	-	1,920	-
Other debtors	**5,458**	-	1,464	-
Prepayments	**7,324**	-	6,800	-
	15,991	-	10,184	-

Group other debtors and prepayments includes rental deposits of £236,000 (2017: £63,000) which are recoverable in more than one year.

17 Creditors: amounts falling due within one year

	29 April 2018		23 April 2017	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Trade creditors	**20,714**	-	16,561	-
Amounts owed to Group undertakings	**302**	-	449	-
Other taxation and social security	**10,864**	-	8,053	-
Corporation tax	**1,573**	-	3,127	-
Other creditors	**5,702**	-	5,310	-
Accruals and deferred income	**16,258**	-	19,716	-
	55,413	-	53,216	-

Interest is charged on amounts due to Group undertakings at a rate of 2.5% (2017: 2.5%) per annum and these amounts are repayable on demand.

18 Creditors: amounts falling due after more than one year

	29 April 2018		23 April 2017	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Bond	**222,118**	-	146,932	-
	222,118	-	146,932	-

The bond is shown net of unamortised loan issue costs of £2,882,000 (2017: £3,068,000).

On 10 July 2017, a refinancing of the Mabel Topco Group was completed. At this date, the Group's bond debt of £150m reported in these financial statements was repaid in full and a new bond issue to the value of £225m was completed.

19 Creditors - capital instruments

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

	29 April 2018		23 April 2017	
	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	**225,000**	**-**	150,000	-
In more than five years	**-**	**-**	-	-
	225,000	**-**	150,000	-
Unamortised loan issue expenses	**(2,882)**	**-**	(3,068)	-
	222,118	**-**	146,932	-

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

In July 2017, the Group re-financed and raised £225,000,000 in a high yield bond. At the same time, the Group repaid its previous loan notes of £150,000,000

Interest on the bond financing is at 4.125% and is payable semi-annually. Interest on the previous bond financing was at 7.875% and was payable semi-annually. At the period end the Group had an undrawn revolver facility of £15,000,000 (2017: £15,000,000). The revolver facility expires in December 2021 with an interest rate of Libor +2.5% for any drawn amounts and commitment fee of Libor + 35% of drawn margin for undrawn amounts.

The unamortised loan issue issues expenses are being amortised on a straight-line basis over the remaining period of the loan. Amortisation of £720,500 will be charged to profit and loss in the next financial year.

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 29 April 2018, £225,000,000 of the high yield bond was due for repayment in more than 2 years but less than 5 years (on 1 July 2022). The Group has not elected to designate the high yield bond at fair value through profit and loss.

The Group and Company have the following financial instruments:

	29 April 2018		23 April 2017	
	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 debtors	**3,209**	-	1,920	-
- Other debtors	**5,458**	-	1,464	-
Financial liabilities measured at fair value through profit and loss	-	-	-	-
- Derivative financial instruments	-	-	279	-
Financial liabilities measured at amortised cost				
- Bond	**222,118**	-	146,932	-
- Loan notes	-	-	-	-
- Trade creditors	**20,714**	-	16,561	-
- Accruals	**16,046**	-	19,716	-
- Other creditors	**5,702**	-	5,031	-
- Amounts owed to Group undertakings	**302**	-	449	-

21 Provisions for liabilities

Group	Onerous Lease £'000	Deferred Tax £'000	Total £'000
As at 24 April 2017	1,117	4,332	5,449
Additions dealt with in profit and loss	4,549	367	4,916
Utilised during the period	(646)	-	(646)
Unused amounts reversed to the profit and loss	(277)	-	(277)
Foreign exchange translation adjustment	(45)	-	(45)
As at 29 April 2018	**4,698**	**4,699**	**9,397**

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 over the remaining life of the lease and compared to the discounted committed rent payments for the remainder of the lease. 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:

	29 April 2018		23 April 2017	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Provision brought forward	**4,332**	-	3,830	-
Movement in provision – current period	**(172)**	-	165	-
Movement in provision – prior period	**539**	-	337	-
Changes in tax rates and laws	-	-	-	-
Provision carried forward	**4,699**	-	4,332	-

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

The Group had unrecognised deferred tax assets of £8,797,000 (2017: £6,342,000) 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	
	29 April 2018	23 April 2017
	£'000	£'000
Payments due:		
Not later than one year	**25,904**	22,040
Later than one year and not later than five years	**76,427**	65,828
Later than five years	**235,189**	223,772
	337,520	**311,640**

At the period end the Group had £nil capital commitments (2017: £nil).

23 Called up share capital

Group and Company	29 April 2018	23 April 2017
	£'000	£'000
Allotted, called up and fully paid:		
20,000,001 (2017: 20,000,001) Ordinary shares of £1 each	**20,000**	20,000

24 Reserves

Group	Profit and loss account
	£'000
At 24 April 2017	47,850
Foreign currency translation loss	(1,042)
Loss for the financial period	(14,057)
Dividend paid directly from equity	(59,700)
At 29 April 2018	**(26,949)**

24 Reserves (continued)

Company	Profit and loss account £'000
At 24 April 2017	103,137
Profit for the financial period	59,700
Dividend paid directly from equity	(59,700)
Balance carried forward	**103,137**

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	29 April 2018 £'000
Wagamama Finance Plc	225,000

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 £86,000 (2017: £90,000). 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 (2017: £30,000) and £56,000 (2017: £60,000) respectively. There were no balances outstanding at 29 April 2018 (2017: nil).

27 Reconciliation of non-GAAP measures

Statutory operating profit as presented in the Group profit and loss account on page 14 is reconciled to the non-GAAP measures presented in the Strategic report shown on page 4 following certain adjustments:

	Period ended 29 April 2018	Period ended 23 April 2017
	£'000	£'000
Statutory operating profit	**8,522**	22,200
Depreciation	**13,506**	11,212
Amortisation	**9,115**	9,116
Loss on disposal of fixed assets	**462**	498
Exceptional administrative expense/(income) (note 4)	**11,012**	(647)
Pre-opening costs	**3,604**	2,967
Corporate expenses	**346**	131
Adjusted EBITDA	**46,567**	45,477
Head office overhead costs	**17,546**	16,156
Net franchise income	**(1,786)**	(1,396)
Restaurant EBITDA	**62,327**	60,237

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.

Corporate expenses represents fees paid to our principal shareholders and security agent together with professional fees incurred in respect of our financing structure.

Head office overhead costs represent the costs associated with our head office premises and the operation our business support functions, such as finance, marketing and human resources, including staff costs.

Net franchise income represents the royalty, initial site and territory fees generated from our franchise business offset by the costs of supporting franchisees, including staff and travel costs.

Notes to the financial statements for the period ended 29 April 2018 (continued)

28 Subsequent events

The Group has evaluated events from 29 April 2018 through to the date these financial statements were issued. There were no subsequent events that require disclosure.

29 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.