

**Mabel Mezzco Limited**

**Annual report and financial statements  
for the period ended 26 April 2015**

**Registered number: 07556501**

# **Mabel Mezzco Limited**

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# **Mabel Mezzco Limited**

## **Officers and professional advisors**

### **Directors**

P J Adams  
E Bellquist  
M H Collins  
G M House  
P L Taylor  
D Campbell  
J S Holbrook (appointed 14/08/14)

### **Registered Office**

76 Wardour Street  
London  
England  
W1F 0UR

### **Independent auditors**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

### **Solicitors**

Latham & Watkins LLP  
99 Bishopsgate  
London  
EC2M 3XF

### **Bankers**

Lloyds TSB Bank plc  
25 Gresham Street  
London  
EC2V 7HN

### **Registered Number**

07556501

# Mabel Mezzco Limited

## Strategic report for the period ended 26 April 2015

### Introduction

The directors present their Strategic report for the 52 week period ended 26 April 2015 (2014 - 52 weeks ended 27 April 2014).

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

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

### Business review

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 8 and following. The directors have recommended a dividend in specie £454,136. (2014: Nil).

The Group continued with its expansionary activities during the period, with 6 restaurants opened and one closed in the UK. By the end of the period, the Group's estate had grown to 112 restaurants in the UK and 4 within the USA as well as 30 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.

### Key performance indicators (kpi)

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

|   | <b>26<br/>April 2015</b> | <b>27<br/>April 2014</b> |
|---|--------------------------|--------------------------|
|   | <b>£'000</b>             | <b>£'000</b>             |
| <b>Turnover</b>   | <b>193,292</b>           | 163,995                  |
| Operating (loss)/profit   | <b>(111)</b>             | 4,638                    |
| Earnings before interest, tax depreciation, amortisation, set-up costs and certain head office costs ("adjusted EBITDA")* | <b>30,251</b>            | 25,274                   |
| Number of restaurants   | <b>116</b>               | 111                      |
| Average number of employees   | <b>3,865</b>             | 3,563                    |

\*Set-up costs of £1,032,000 (2014: £2,746,000) and certain head office costs £305,000 (2014: £307,000)

Turnover grew by 17.9% and adjusted EBITDA grew by 19.7%. Restaurant EBITDA (being adjusted EBITDA before central costs) grew by 30.3%. Operating profit declined to a loss of £0.1m from a profit of £4.6m as a result of exceptional administrative expenses for impairment and onerous lease charges. These expenses follow a robust review of the Group's assets and application of policy.

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.

# Mabel Mezzco Limited

## Strategic report for the period ended 26 April 2015 (continued)

### Principal risks and uncertainties

#### *UK Economy*

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

#### *Foreign exchange risk*

The Group's principal operating segment relates to the UK restaurant business, with the Group's US restaurant business not exposing the Group to significant foreign exchange risk. Furthermore, the Group does not have significant assets or liabilities denominated in foreign currencies.

Accordingly the Group has not, to date, used any material financial instruments to mitigate its foreign exchange risk. The directors and UK management will keep this situation under review with the roll-out of the US restaurant business. However, as employees and suppliers of the US business are predominantly paid in US dollars acts as a natural hedge exists against foreign exchange risk.

#### *Credit risk*

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

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

#### *Liquidity risk*

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

#### *Cash flow and fair value interest rate risk*

During the period, The Group reorganised its finances and where previously it was financed through a mixture of bank borrowings and loan notes, as of 28 January 2015, it is now financed through a mixture of a high yield bond (coupon 7.875%) and loan notes thereby reducing its overall cost of debt. These borrowings are in sterling at fixed rates.

Approved by the board and signed on their behalf,

J S Holbrook  
Director

09 July 2015

# **Mabel Mezzco Limited**

## **Directors' report for the period ended 26 April 2015**

The directors present their report and audited consolidated financial statements for the 52 week period ended 26 April 2015 (2014 - 52 weeks ended 27 April 2014).

### **Business review and future developments**

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

### **Results and dividends**

The trading results for the period and the Group's financial position at the end of the period are shown in the attached financial statements on pages 8 and following. The directors have recommended a dividend in specie £454,136 (2014: 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  
D Campbell  
M H Collins  
G M House  
A W Perring (resigned 28/08/14)  
P L Taylor  
J S Holbrook (appointed 14/08/2014)

### **Financial instruments**

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

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

### **Employees**

The average number of employees and their remuneration is set out in note 4 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.

# **Mabel Mezzco Limited**

## **Directors' report for the period ended 26 April 2015 (continued)**

### **Financial risk management**

Please refer to the Strategic report on page 2 for further discussion on financial risk management.

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the Group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the Group will continue in business.

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

### **Statement of disclosure of information to auditors**

In the case of each of the persons who are directors at the time when this report is approved, under section 418, the following applies:

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

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



J S Holbrook  
Director

09 July 2015

Company registered number: 07556501

# **Mabel Mezzco Limited**

## **Independent auditors' report to the members of Mabel Mezzco Limited**

### **Report on the financial statements**

#### **Our opinion**

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

- give a true and fair view of the state of the Group's and of the company's affairs as at 26 April 2015 and of the Group's loss and cash flows for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **What we have audited**

Mabel Mezzco Limited's financial statements comprise:

- the Group and Company balance sheets as at 26 April 2015;
- the Group profit and loss account and Consolidated statement of total recognised gains and losses for the period then ended;
- the Group cash flow statement for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

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

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

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

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



# **Mabel Mezzco Limited**

## **Responsibilities for the financial statements and the audit**

### **Our responsibilities and those of the directors**

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

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

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

### **What an audit of financial statements involves**

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

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

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

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

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Julian Jenkins (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
July 2015

# Mabel Mezzco Limited

## Group profit and loss account for the period ended 26 April 2015

|   | Note | 52 weeks<br>ended 26<br>April 2015 | 52 weeks<br>ended 27<br>April 2014 |
|---|------|------------------------------------|------------------------------------|
|   |      | £'000                              | £'000                              |
| <b>Turnover</b>   | 2    | <b>193,292</b>                     | 163,995                            |
| Cost of sales   |      | <b>(107,073)</b>                   | (90,621)                           |
| Gross profit  |      | <b>86,219</b>                      | 73,374                             |
| Administrative expenses before exceptional items                  |      | <b>(75,294)</b>                    | (67,932)                           |
| Exceptional administrative expenses                               | 3    | <b>(11,036)</b>                    | (804)                              |
| Administrative expenses   |      | <b>(86,330)</b>                    | (68,736)                           |
| <b>Operating (loss)/profit</b>                                    | 3    | <b>(111)</b>                       | 4,638                              |
| <b>Profit on ordinary activities before interest and taxation</b> |      | <b>(111)</b>                       | 4,638                              |
| Interest receivable and similar income                            | 6    | <b>31</b>                          | 18                                 |
| Interest payable and similar charges before exceptional items     |      | <b>(15,006)</b>                    | (15,606)                           |
| Exceptional charges   |      | <b>(2,793)</b>                     | -                                  |
| Interest payable, similar charges                                 | 7    | <b>(17,799)</b>                    | (15,606)                           |
| <b>Loss on ordinary activities before taxation</b>                |      | <b>(17,879)</b>                    | (10,950)                           |
| Tax on loss on ordinary activities                                | 8    | <b>(1,103)</b>                     | (752)                              |
| <b>Loss for the financial period</b>                              | 23   | <b>(18,982)</b>                    | (11,702)                           |

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

There are no material differences between the loss on ordinary activities before taxation and the loss for the periods stated above and their 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 total recognised gains and losses for the period ended 26 April 2015

|   | <b>52 weeks<br/>ended 26<br/>April 2015</b> | <b>52 weeks<br/>ended 27<br/>April 2014</b> |
|---|---|---|
|   | <b>£'000</b>                                | <b>£'000</b>                                |
| Loss for the financial period                         | <b>(18,982)</b>                             | <b>(11,702)</b>                             |
| Foreign exchange differences arising on consolidation | <b>361</b>                                  | <b>(318)</b>                                |
| <b>Total recognised losses in the period</b>          | <b>24</b>                                   | <b>(12,020)</b>                             |

# Mabel Mezzco Limited

## Group balance sheet as at 26 April 2015

|  | Note | 26<br>April 2015<br>£'000 | 27<br>April 2014<br>£'000 |
|--|------|---------------------------|---------------------------|
| <b>Fixed assets</b>  |      |                           |                           |
| Intangible assets  | 11   | 145,651                   | 154,767                   |
| Tangible assets  | 13   | 69,944                    | 73,963                    |
|  |      | <b>215,595</b>            | <b>228,730</b>            |
| <b>Current assets</b>  |      |                           |                           |
| Stocks   | 14   | 1,038                     | 1,099                     |
| Debtors  | 15   | 6,297                     | 7,498                     |
| Cash at bank and in hand   |      | 28,666                    | 12,241                    |
|  |      | <b>36,001</b>             | <b>20,838</b>             |
| <b>Creditors: amounts falling due within one period</b>          | 16   | <b>(41,007)</b>           | <b>(35,123)</b>           |
| <b>Net current liabilities</b>                                   |      | <b>(5,006)</b>            | <b>(14,285)</b>           |
| <b>Total assets less current liabilities</b>                     |      | <b>210,589</b>            | <b>214,445</b>            |
| <b>Creditors: amounts falling due after more than one period</b> | 17   | <b>(144,582)</b>          | <b>(132,130)</b>          |
|  |      | <b>66,007</b>             | <b>82,315</b>             |
| <b>Provisions for liabilities</b>                                | 20   | <b>(6,282)</b>            | <b>(3,514)</b>            |
| <b>Net assets</b>  |      | <b>59,725</b>             | <b>78,801</b>             |
| <b>Capital and reserves</b>                                      |      |                           |                           |
| Called-up share capital  | 22   | 20,000                    | 20,000                    |
| Profit and loss account  | 23   | 39,725                    | 58,801                    |
| <b>Total shareholders' funds</b>                                 | 24   | <b>59,725</b>             | <b>78,801</b>             |

The financial statements on pages 8 to 32 were approved by the board of directors on 29 July 2015 and signed on its behalf by:

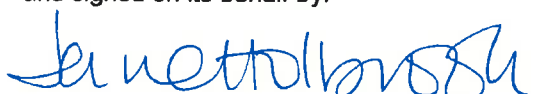
J S Holbrook  
Director

# Mabel Mezzco Limited

## Company balance sheet as at 26 April 2015

|   | Note | 26<br>April 2015<br>£'000 | 27<br>April 2014<br>£'000 |
|---|------|---------------------------|---------------------------|
| <b>Fixed assets</b>                                       |      |                           |                           |
| Investments   | 12   | 123,137                   | 123,137                   |
| <b>Current assets</b>                                     |      |                           |                           |
| Debtors   | 15   | -                         | 47,944                    |
|   |      | -                         | 47,944                    |
| Creditors: amounts falling due within one period          | 16   | (54)                      | (23)                      |
| <b>Net current (liabilities)/assets</b>                   |      | <b>(54)</b>               | <b>47,921</b>             |
| <b>Total assets less current liabilities</b>              |      | <b>123,083</b>            | <b>171,058</b>            |
| Creditors: amounts falling due after more than one period | 17   | -                         | (48,405)                  |
| <b>Net assets</b>   |      | <b>123,083</b>            | <b>122,653</b>            |
| <b>Capital and reserves</b>                               |      |                           |                           |
| Called-up share capital                                   | 22   | 20,000                    | 20,000                    |
| Profit and loss account                                   | 23   | 103,083                   | 102,653                   |
| <b>Total shareholders' funds</b>                          |      | <b>123,083</b>            | <b>122,653</b>            |

The financial statements on pages 8 to 32 were approved by the board of directors on 9 July 2015 and signed on its behalf by:



J S Holbrook  
Director

Company registered number: 07556501

# Mabel Mezzco Limited

## Group cash flow statement for the period ended 26 April 2015

|  | Notes | 52 weeks<br>ended 26<br>April 2015 | 52 weeks<br>ended 27<br>April 2014 |
|--|-------|------------------------------------|------------------------------------|
|  |       | £'000                              | £'000                              |
| <b>Net cash inflow from operating activities</b>                             | (a)   | <b>34,068</b>                      | <b>28,666</b>                      |
| <b>Returns on investments and servicing of finance</b>                       |       |                                    |                                    |
| Interest received  |       | 31                                 | 16                                 |
| Interest paid  |       | (5,141)                            | (6,424)                            |
| <b>Net cash outflow from returns on investments and servicing of finance</b> |       | <b>(5,110)</b>                     | <b>(6,408)</b>                     |
| <b>Taxation</b>  |       | <b>(19)</b>                        | <b>6</b>                           |
| <b>Capital expenditure</b>   |       |                                    |                                    |
| Proceeds from disposal of tangible fixed assets                              |       | -                                  | 156                                |
| Payments to acquire tangible fixed assets                                    |       | (12,355)                           | (17,456)                           |
| <b>Net cash outflow from capital expenditure</b>                             |       | <b>(12,355)</b>                    | <b>(17,300)</b>                    |
| <b>Cash inflow before financing</b>  |       | <b>16,584</b>                      | <b>4,964</b>                       |
| <b>Financing</b>   |       |                                    |                                    |
| Expenses paid in connection with issue of debt                               |       | (5,697)                            | (867)                              |
| New loans  |       | 150,000                            | 4,165                              |
| Repayment of bank loan   |       | (88,858)                           | (6,285)                            |
| Repayment of loan notes  |       | (55,614)                           | -                                  |
| <b>Net cash outflow from financing</b>                                       |       | <b>(169)</b>                       | <b>(2,987)</b>                     |
| <b>Increase in cash</b>  | (c)   | <b>16,415</b>                      | <b>1,981</b>                       |
| <b>Exchange adjustment</b>   |       | <b>10</b>                          | <b>(4)</b>                         |
| <b>Opening cash at bank and in hand</b>                                      |       | <b>12,241</b>                      | <b>10,268</b>                      |
| <b>Closing cash at bank and in hand</b>                                      |       | <b>28,666</b>                      | <b>12,241</b>                      |

The notes on pages 15 to 32 form part of these financial statements.

# Mabel Mezzco Limited

## Group cash flow statement for the period ended 26 April 2015 (continued)

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

|  | Period ended<br>26<br>April 2015 | Period ended<br>27<br>April 2014 |
|--|----------------------------------|----------------------------------|
|  | £'000                            | £'000                            |
| Operating (loss)/profit                          | (111)                            | 4,638                            |
| Amortisation                                     | 9,116                            | 9,116                            |
| Depreciation                                     | 8,899                            | 7,663                            |
| Loss on disposal of fixed assets                 | 1,310                            | 767                              |
| Impairment                                       | 5,915                            | 1,612                            |
| Increase in stocks                               | 61                               | (307)                            |
| Decrease in debtors                              | 265                              | (1,686)                          |
| Increase in creditors                            | 5,764                            | 6,863                            |
| Onerous lease                                    | 2,849                            | -                                |
| <b>Net cash inflow from operating activities</b> | <b>34,068</b>                    | <b>28,666</b>                    |

### (b) Reconciliation of net cash flow to movement in net debt

|   | Period ended<br>26<br>April 2015 | Period ended<br>27<br>April 2014 |
|---|----------------------------------|----------------------------------|
|   | £'000                            | £'000                            |
| Increase in cash in the period                | 16,415                           | 1,974                            |
| Exchange adjustment                           | 10                               | (4)                              |
| Net cash inflow from bond loans               | (150,000)                        | (4,165)                          |
| Expenses paid in connection with issuing debt | 5,697                            | -                                |
| Repayment of bank loans                       | 144,472                          | 6,285                            |
| Amortisation of loan issue fees               | (3,791)                          | (947)                            |
| Rolled up interest                            | (6,491)                          | (7,380)                          |
| Change in net debt                            | 6,312                            | (4,234)                          |
| Opening net debt                              | (122,228)                        | (117,994)                        |
| <b>Net debt at 26 April 2015</b>              | <b>(115,916)</b>                 | <b>(122,228)</b>                 |

# Mabel Mezzco Limited

## Group cash flow statement for the period ended 26 April 2015 (continued)

### (c) Analysis of changes in net debt

|   | At 28<br>April<br>2014 | Cash flows    | Other non-<br>cash<br>changes | At 26<br>April<br>2015 |
|---|------------------------|---------------|-------------------------------|------------------------|
|   | £'000                  | £'000         | £'000                         | £'000                  |
| Net cash:                                   |                        |               |                               |                        |
| Cash in hand and at bank                    | 12,241                 | 16,415        | 10                            | 28,666                 |
| Debt:                                       |                        |               |                               |                        |
| Debt due within 1 period                    | (2,339)                | 2,339         | -                             | -                      |
| Debt due after 1 period                     | (132,130)              | (2,170)       | (10,282)                      | (144,582)              |
|   | (134,469)              | 169           | (10,282)                      | (144,582)              |
| <b>Net debt after financing issue costs</b> | <b>(122,228)</b>       | <b>16,584</b> | <b>(10,272)</b>               | <b>(115,916)</b>       |

### Non-cash changes

|                                 | 52 weeks<br>ended 26<br>April 2015 | 52 weeks<br>ended 27<br>April 2014 |
|---------------------------------|------------------------------------|------------------------------------|
|                                 | £'000                              | £'000                              |
| Amortisation of loan issue fees | (3,791)                            | (947)                              |
| Rolled up loan interest         | (6,491)                            | (7,380)                            |
| Currency translation            | 10                                 | (4)                                |
|                                 | (10,272)                           | (8,331)                            |



# **Mabel Mezzco Limited**

## **Notes to the financial statements for the 52 week period ended 26 April 2015**

### **1 Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom and policies have been applied that are consistent from period to period. The principal accounting policies are set out below.

The financial statements are prepared for the 52 week period up to the Sunday closest to 30 April being 26 April 2015. The comparative numbers used in the financial statements are for the 52 week period ended 27 April 2014.

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 cashflow, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and all Group undertakings. These are adjusted, where appropriate, to conform to Group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty periods from the period of acquisition. 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. 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 the Companies Act 2006.

#### **Related parties transactions**

The Company has taken advantage of the exemption provided by FRS 8 from disclosing transactions with Group companies on the basis that those companies are wholly owned and included in these consolidated financial statements.

#### **Turnover**

##### **a) Restaurant turnover**

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

##### **b) Franchise fees**

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

#### **Goodwill**

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

# **Mabel Mezzco Limited**

## **Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)**

### **1. Accounting policies (continued)**

#### **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              | – | over 20 periods  |
| Trademarks / Licences | – | up to 20 periods |

#### **Tangible fixed 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 periods         |

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

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **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 to the date rent reverts to market value.

#### **Onerous leases**

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

#### **Pension costs**

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

#### **Deferred taxation**

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

#### **Foreign currencies**

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

# Mabel Mezzco Limited

## Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)

### 1 Accounting policies (continued)

#### 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.

Interest rate swaps are used to hedge the Group's exposure to movements on interest rates. The interest payable/receivable on interest rate swaps is accrued in the same way as interest arising on the related borrowings. The Group has not adopted the voluntary provisions of Financial Reporting Standard 26 – Financial instruments: Recognition and measurement.

### 2 Turnover

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

### 3 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

|   | Period ended<br>26<br>April 2015 | Period ended<br>27<br>April 2014 |
|---|----------------------------------|----------------------------------|
|   | £'000                            | £'000                            |
| Amortisation  | 9,116                            | 9,116                            |
| Depreciation of owned fixed assets  | 8,899                            | 7,663                            |
| Impairment – included in exceptional administrative expenses  | 5,915                            | 1,612                            |
| Foreign exchange gains  | 3                                | 3                                |
| Auditors' remuneration - as auditors  | 62                               | 64                               |
| - for taxation services   | 50                               | 75                               |
| - for other services – included in exceptional administrative expenses  | 575                              | -                                |
| Operating lease costs - land and buildings  | 15,596                           | 13,532                           |
| Loss on disposal of fixed assets (of which £1,310,000 included in exceptional administrative expenses) 2014: £720,000)) | 1,310                            | 767                              |
| Exceptional administrative expenses   | 11,036                           | 804                              |

Of the auditors' remuneration as auditors, £4,000 (2014: £5,000) related to the audit of Mabel Mezzco Limited and the consolidation, and £58,000 (2014: £59,000) related to the audit of subsidiary companies.

## Mabel Mezzco Limited

### Notes to the financial statements

for the 52 week period ended 26 April 2015 (continued)

#### 3 Operating (loss)/profit (continued)

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

For the period ended 27 April 2014, the exceptional administrative expenses incurred principally comprise of exceptional income arising from the net compensation from the early exit of a lease (£2,779,000), offset by costs in relation to changes in the senior executive team (£771,000), costs arising from abortive sites (£270,000), costs associated with the flooding of a restaurant (£623,000), a review of impaired assets (£1,612,000) and franchise territory fee provision (£240,000).

#### 4 Particulars of employees

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

|                                | Period ended<br>26<br>April 2015 | Period ended<br>27<br>April 2014 |
|--------------------------------|----------------------------------|----------------------------------|
|                                | No                               | No                               |
| <b>Number of staff - total</b> | <b>3,865</b>                     | <b>3,563</b>                     |
| Restaurants                    | 3,755                            | 3,466                            |
| Head Office                    | 110                              | 97                               |

The aggregate payroll costs of the above were:

|                       | Period ended<br>26<br>April 2015 | Period ended<br>27<br>April 2014 |
|-----------------------|----------------------------------|----------------------------------|
|                       | £'000                            | £'000                            |
| Wages and salaries    | 63,442                           | 53,881                           |
| Social security costs | 4,657                            | 4,267                            |
| Other pension costs   | 545                              | 424                              |
|                       | <b>68,644</b>                    | <b>58,572</b>                    |

The Company has no employees.

# Mabel Mezzco Limited

## Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)

### 5 Directors' emoluments

|  | Period ended<br>26<br>April 2015 | Period ended<br>27<br>April 2014 |
|--|----------------------------------|----------------------------------|
|  | £'000                            | £'000                            |
| Emoluments   | 1,852                            | 704                              |
| Value of company pension contributions to money purchase schemes | 109                              | 75                               |
| Compensation for loss of office                                  | -                                | 175                              |
|  | 1,961                            | 954                              |

Emoluments of highest paid director:

|  | Period ended<br>26<br>April 2015 | Period ended<br>27<br>April 2014 |
|--|----------------------------------|----------------------------------|
|  | £'000                            | £'000                            |
| Total emoluments (excluding pension contributions)               | 841                              | 223                              |
| Value of company pension contributions to money purchase schemes | 42                               | 25                               |
|  | 883                              | 248                              |

The number of directors to whom pension benefits are accruing at the period end is 2 (2014: 3).

No directors received emoluments in respect of their services to the company.

### 6 Interest receivable and similar income

|                          | Period ended<br>26<br>April 2015 | Period ended<br>27<br>April 2014 |
|--------------------------|----------------------------------|----------------------------------|
|                          | £'000                            | £'000                            |
| Bank interest receivable | 31                               | 18                               |

## Mabel Mezzco Limited

### Notes to the financial statements for the period ended 26 April 2015 (continued)

#### 7 Interest payable and similar charges

|  | Period ended<br>26<br>April 2015 | Period ended<br>27<br>April 2014 |
|--|----------------------------------|----------------------------------|
|  | £'000                            | £'000                            |
| Interest payable on bank borrowing                           | 4,639                            | 6,412                            |
| Loan notes interest (note 18)                                | 6,491                            | 7,380                            |
| Bond interest  | 2,880                            | -                                |
| Amortisation of loan fees                                    | 996                              | 947                              |
| Loan fee in respect of loan terms                            | -                                | 867                              |
| <b>Interest and similar charges before exceptional items</b> | <b>15,006</b>                    | <b>15,606</b>                    |
| Exceptional item   | 2,793                            | -                                |
| <b>Interest and similar charges</b>                          | <b>17,799</b>                    | <b>15,606</b>                    |

The issue costs associated with the bank loans and loan notes are amortised over the life of the instruments in accordance with FRS 4. The unamortised issue costs of bank loans and mezzanine loan notes were repaid on re-financing and have been expensed as exceptional; £2,793,000.

# Mabel Mezzco Limited

## Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)

### 8 Tax on loss on ordinary activities

(a) Analysis of charge in the period

|  | Period ended<br>26<br>April 2015 | Period ended<br>27<br>April 2015 |
|--|----------------------------------|----------------------------------|
|  | £'000                            | £'000                            |
| <b>Current tax:</b>  |                                  |                                  |
| UK Corporation tax based on the results for the period at 20.93%<br>(2014: 22.85%) | <b>1,165</b>                     | 494                              |
| Overseas corporation tax – prior period  | <b>19</b>                        | (6)                              |
| <b>Total current tax</b>   | <b>1,184</b>                     | 488                              |
| <b>Deferred tax:</b>   |                                  |                                  |
| Origination and reversal of timing differences – current period                    | <b>(5)</b>                       | 277                              |
| Origination and reversal of timing differences – prior period                      | <b>599</b>                       | (1)                              |
| Changes in tax rates and laws  | <b>(675)</b>                     | (12)                             |
| <b>Total deferred tax</b>  | <b>(81)</b>                      | 264                              |
| <b>Tax on loss on ordinary activities</b>  | <b>1,103</b>                     | 752                              |

# Mabel Mezzco Limited

## Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)

### 8. Tax on loss on ordinary activities (continued)

#### (b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period differs (2014: differs) from the standard rate of corporation tax in the UK of 20.93% (2014: 22.85%). The main rate of corporation tax was reduced from 21% to 20% from 1 April 2015.

|   | Period ended<br>26<br>April 2015 | Period ended 27<br>April 2014 |
|---|----------------------------------|-------------------------------|
|   | £'000                            | £'000                         |
| Loss on ordinary activities before taxation                                 | (17,879)                         | (10,950)                      |
| Loss on ordinary activities multiplied by rate of tax 20.93% (2014: 22.85%) | (3,742)                          | (2,502)                       |
| Effects of:   |                                  |                               |
| Expenses not deductible for taxation purposes                               | 2,900                            | 2,996                         |
| Difference in tax rates   | (1,335)                          | -                             |
| Timing differences on fixed asset depreciation                              | 4                                | (418)                         |
| Tax losses not recognised   | 3,338                            | 418                           |
| Adjustment in respect of overseas tax                                       | 19                               | (6)                           |
| <b>Total current tax (note 8(a))</b>  | <b>1,184</b>                     | <b>488</b>                    |

The Group had unrecognised deferred tax assets of £3,433,000 (2014: £95,000) 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.

In addition to the changes in rates of corporation tax disclosed above, a number of further changes to the UK Corporation tax system have been announced. Further reductions to the main rate were announced in the Finance Act 2013 to reduce the tax rate to 20% from 1 April 2015.

### 9 Loss attributable to members of the parent company

The profit dealt with in the accounts of the parent company was £430,000 (2014: loss £462,000).

### 10 Dividends

A dividend in specie was paid in the period of £454,136 (2014: nil).



# Mabel Mezzco Limited

## Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)

### 11 Intangible assets

| Group                           | Goodwill       | Trademarks | Total          |
|---------------------------------|----------------|------------|----------------|
|                                 | £'000          | £'000      | £'000          |
| <b>Cost</b>                     |                |            |                |
| As at 28 April 2014             | 181,989        | 228        | 182,217        |
| <b>26 April 2015</b>            | <b>181,989</b> | <b>228</b> | <b>182,217</b> |
| <b>Accumulated amortisation</b> |                |            |                |
| At 28 April 2014                | 27,397         | 53         | 27,450         |
| Charge for the period           | 9,099          | 17         | 9,116          |
| <b>At 26 April 2015</b>         | <b>36,496</b>  | <b>70</b>  | <b>36,566</b>  |
| <b>Net book value</b>           |                |            |                |
| <b>At 26 April 2015</b>         | <b>145,493</b> | <b>158</b> | <b>145,651</b> |
| At 27 April 2014                | 154,592        | 175        | 154,767        |

### 12 Investments

| Company                                      | Group companies |
|--|-----------------|
|  | £'000           |
| <b>Cost</b>                                  |                 |
| At 28 April 2014                             | 123,137         |
| <b>At 26 April 2015</b>                      | <b>123,137</b>  |
| <b>Net book value</b>                        |                 |
| <b>At 26 April 2015 and at 27 April 2014</b> | <b>123,137</b>  |

## **Mabel Mezzco Limited**

### **Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)**

#### **12 Investments (continued)**

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

|                             | <b>Location</b>   | <b>Nature of business</b> |
|-----------------------------|-------------------|---------------------------|
| Mabel Bidco Limited         | England and Wales | Holding company           |
| Wagamama Finance Plc*       | England and Wales | Holding company           |
| Ramen USA Limited*          | England and Wales | Holding company           |
| Wagamama USA Holdings, Inc* | Delaware, USA     | Holding company           |
| Wagamama, Inc*              | Delaware, USA     | Restaurant chain          |
| Wagamama Group Limited*     | England and Wales | Holding company           |
| Wagamama Limited*           | England and Wales | Restaurant chain          |

\* Indirectly owned

In addition, the Group owns a number of dormant companies.

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

# Mabel Mezzco Limited

## Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)

### 13 Tangible assets

| Group                           | Leasehold<br>property | Restaurant<br>and office<br>equipment | Total          |
|---------------------------------|-----------------------|---------------------------------------|----------------|
|                                 | £'000                 | £'000                                 | £'000          |
| <b>Cost</b>                     |                       |                                       |                |
| At 28 April 2014                | 68,129                | 25,891                                | 94,020         |
| Additions                       | 7,811                 | 3,836                                 | 11,647         |
| Disposals                       | (3,603)               | -                                     | (3,603)        |
| Foreign exchange difference     | 574                   | 148                                   | 722            |
| <b>At 26 April 2015</b>         | <b>72,911</b>         | <b>29,875</b>                         | <b>102,786</b> |
| <b>Accumulated depreciation</b> |                       |                                       |                |
| At 28 April 2014                | 10,786                | 9,271                                 | 20,057         |
| Charge for the period           | 5,100                 | 3,799                                 | 8,899          |
| Impairment                      | 5,436                 | 479                                   | 5,915          |
| Disposals                       | (2,293)               | -                                     | (2,293)        |
| Foreign exchange difference     | 174                   | 90                                    | 264            |
| <b>At 26 April 2015</b>         | <b>19,203</b>         | <b>13,639</b>                         | <b>32,842</b>  |
| <b>Net book value</b>           |                       |                                       |                |
| <b>At 26 April 2015</b>         | <b>53,708</b>         | <b>16,236</b>                         | <b>69,944</b>  |
| At 28 April 2014                | 57,343                | 16,620                                | 73,963         |

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

## Mabel Mezzco Limited

### Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)

#### 14 Stocks

|                            | 26 April 2015 |         | 27 April 2014 |         |
|----------------------------|---------------|---------|---------------|---------|
|                            | Group         | Company | Group         | Company |
|                            | £'000         | £'000   | £'000         | £'000   |
| Food and other consumables | 901           | -       | 993           | -       |
| Merchandising              | 137           | -       | 106           | -       |
|                            | 1,038         | -       | 1,099         | -       |

#### 15 Debtors

|                                    | 26 April 2015 |         | 27 April 2014 |         |
|------------------------------------|---------------|---------|---------------|---------|
|                                    | Group         | Company | Group         | Company |
|                                    | £'000         | £'000   | £'000         | £'000   |
| Trade debtors                      | 1,312         | -       | 3,043         | -       |
| Amounts owed by Group undertakings | -             | -       | 105           | 47,944  |
| Other debtors and prepayments      | 4,985         | -       | 4,350         | -       |
|                                    | 6,297         | -       | 7,498         | 47,944  |

Group debtors includes rental deposits of £116,000 (2014: £116,000) which are receivable in more than one period.

Interest is charged on amounts due from Group undertakings at a rate of 2.5% (2014: 2.5%) per annum.

# Mabel Mezzco Limited

## Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)

### 16 Creditors: amounts falling due within one period

|                                    | 26 April 2015 |           | 27 April 2014 |           |
|------------------------------------|---------------|-----------|---------------|-----------|
|                                    | Group         | Company   | Group         | Company   |
|                                    | £'000         | £'000     | £'000         | £'000     |
| Bank loans                         | -             | -         | 2,339         | -         |
| Trade creditors                    | 11,869        | -         | 13,769        | -         |
| Other taxation and social security | 6,920         | -         | 5,493         | -         |
| Corporation tax                    | 1,626         | -         | 461           | -         |
| Other creditors                    | 2,207         | -         | 1,364         | -         |
| Accruals and deferred income       | 18,385        | 54        | 11,697        | 23        |
|                                    | <b>41,007</b> | <b>54</b> | <b>35,123</b> | <b>23</b> |

Interest is charged on amounts due to Group undertakings at a rate of 2.5% per annum (2014: 2.5%).

The Group repaid its bank loans as part of re-financing in January 2015. Bank loans are shown net of unamortised loan issue cost £nil (2014: £794,000)

### 17 Creditors: amounts falling due after more than one period

|            | 26 April 2015  |          | 27 April 2014  |               |
|------------|----------------|----------|----------------|---------------|
|            | Group          | Company  | Group          | Company       |
|            | £'000          | £'000    | £'000          | £'000         |
| Bond       | 144,582        | -        | -              | -             |
| Bank loans | -              | -        | 83,725         | -             |
| Loan notes | -              | -        | 48,405         | 48,405        |
|            | <b>144,582</b> | <b>-</b> | <b>132,130</b> | <b>48,405</b> |

The bond is shown net of unamortised loan issue costs of £5,418,000. In 2014, the bank loans were shown net of unamortised issue costs of £1,999,000.

## Mabel Mezzco Limited

### Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)

#### 18 Creditors - capital instruments

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

|   | 26 April 2015 |         | 27 April 2014 |         |
|---|---------------|---------|---------------|---------|
|   | Group         | Company | Group         | Company |
|   | £'000         | £'000   | £'000         | £'000   |
| Amounts repayable:                                      |               |         |               |         |
| In one period or less or on demand                      | -             | -       | 3,133         | -       |
| In more than one period but not more than two periods   | -             | -       | 6,993         | -       |
| In more than two periods but not more than five periods | 150,000       | -       | 127,879       | 49,148  |
|   | 150,000       | -       | 138,005       | 49,148  |
| Unamortised loan issue expenses                         | (5,418)       | -       | (3,536)       | (743)   |
|   | 144,582       | -       | 134,469       | 48,405  |

The issue costs associated with the loans are amortised over the life of the loans in accordance with FRS4.

In January 2015, the Group re-financed and raised £150,000,000 in a high yield bond. At the same time the Group repaid its bank debt of £85,229,000 and secured loan notes of £55,614,000.

Interest on the bond financing is 7.7875% payable semi-annually. At the period end the Group had an undrawn revolver facility of £15,000,000 (2014: £8,720,000).

#### 19 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 26 April 2015, £150,000,000 of the high yield bond was due for re-payment in more than 2 periods but less than 5 periods. The Group has not elected to adopt the fair value accounting requirements for financial instruments.

Interest on the bond financing is at 7.875%. Interest on the loan notes ranges between 10% and 12% and compounds semi-annually. At the period end the Group had an undrawn revolver facility of £15,000,000 (2014: £8,720,000).

# Mabel Mezzco Limited

## Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)

### 20 Provision for liabilities

|  | Onerous Lease<br>£'000 | Deferred<br>Tax<br>£'000 | Total<br>£'000 |
|--|------------------------|--------------------------|----------------|
| <b>As at 28 April 2014</b>             | -                      | <b>3,514</b>             | <b>3,514</b>   |
| Charged to the profit and loss account | 2,849                  | (81)                     | 2,768          |
| <b>As at 26 April 2015</b>             | <b>2,849</b>           | <b>3,433</b>             | <b>6,282</b>   |

#### Onerous leases

Where EBITDA results of individual restaurants suggest potential for onerous lease charges, future expected cashflow performance in those individual restaurants is reviewed and discounted at a rate of 10% over the remaining life of the lease and compared to the discounted committed rent payments for the remainder of the lease also discounted at 10%. Where there is a deficit between cashflow 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:

|  | 26 April 2015 |         | 27 April 2014 |         |
|--|---------------|---------|---------------|---------|
|  | Group         | Company | Group         | Company |
|  | £'000         | £'000   | £'000         | £'000   |
| Provision brought forward              | <b>3,514</b>  | -       | 3,250         | -       |
| Movement in provision – current period | <b>(5)</b>    | -       | 277           | -       |
| Movement in provision – prior period   | <b>599</b>    | -       | (1)           | -       |
| Changes in tax rates and laws          | <b>(675)</b>  | -       | (12)          | -       |
| Provision carried forward              | <b>3,433</b>  | -       | 3,514         | -       |

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

The Group had unrecognised deferred tax assets of £3,433,000 (2014: £95,000) 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.

# Mabel Mezzco Limited

## Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)

### 21 Commitments under operating leases

At 26 April 2015 the Group had annual commitments under non-cancellable operating leases as set out below:

| Group                                   | Land and buildings |                  |
|---|--------------------|------------------|
|   | 26<br>April 2015   | 27<br>April 2014 |
|   | £'000              | £'000            |
| Operating leases which expire:          |                    |                  |
| Within 1 period                         | 161                | 1,167            |
| More than 1 period but not more than 2  | 502                | 602              |
| More than 2 periods but not more than 5 | 761                | 1,160            |
| After more than 5 periods               | 15,236             | 12,121           |
|   | <b>16,660</b>      | 15,050           |

At the period end the Group had no capital commitments (2014: £Nil).

### 22 Called up share capital

| Group and Company  | 26<br>April 2015 | 27<br>April 2014 |
|--|------------------|------------------|
| <b>Allotted, called up and fully paid:</b>                       |                  |                  |
| 20,000,001 (2014: 20,000,001) Ordinary shares of £1 each (£'000) | <b>20,000</b>    | 20,000           |



# Mabel Mezzco Limited

## Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)

### 23 Reserves

| Group                             | Profit<br>and loss<br>account<br>£'000 |
|-----------------------------------|--|
| At 27 April 2014                  | 58,801                                 |
| Foreign currency translation gain | 361                                    |
| Loss for the period               | (18,982)                               |
| Dividend                          | (455)                                  |
| <b>Balance carried forward</b>    | <b>39,725</b>                          |
| Company                           | Profit<br>and loss<br>account<br>£'000 |
| At 27 April 2014                  | 102,653                                |
| Profit for the period             | 430                                    |
| <b>Balance carried forward</b>    | <b>103,083</b>                         |

### 24 Reconciliation of movements in shareholders' funds

| Group                                    | 26<br>April 2015 | 27<br>April 2014 |
|--|------------------|------------------|
|  | £'000            | £'000            |
| Loss for the financial period            | (18,982)         | (11,702)         |
| Dividends paid                           | (455)            | -                |
| Foreign currency translation gain/(loss) | 361              | (318)            |
| Net (decrease) in shareholders' funds    | (19,076)         | (12,020)         |
| Opening shareholders' funds              | 78,801           | 90,821           |
| <b>Closing shareholders' funds</b>       | <b>59,725</b>    | <b>78,801</b>    |

# Mabel Mezzco Limited

## Notes to the financial statements for the 52 week period ended 26 April 2015 (continued)

### 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              | 26<br>April 2015 |
|----------------------|------------------|
|                      | £000             |
| Wagamama Finance Plc | 150,000          |

### 26 Related parties

The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Mabel Topco Limited group.

During the period, transactions with Duke Street LLP and Hutton Collins LLP, related parties not wholly within the Group, amounted to £120,000 (2014: £109,000). The transactions were for the provision of services to the Group by non-executive board members and loan note agency fees and were carried out on an arm's length basis. The value of services provided in the period was £30,000 (2014: £26,000) and £90,000 (2014: £83,000) respectively. There were no balances outstanding at 26 April 2015 (2014: nil).

### 27 Ultimate parent undertaking

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

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

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

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

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