

Registration number: 03012988

Espresso UK Limited

Annual Report and Financial Statements

for the 52 weeks ended 28 May 2017



Espresso UK Limited

Contents

Company Information	1
Directors' Report	2 to 3
Independent Auditors' Report	4 to 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 to 13

Espresso UK Limited

Company Information

Directors

G. David
S. Richards

Company secretary

G. David

Registered office

1st Floor
163 Eversholt Street
London
NW1 1BU

Solicitors

Taylor Wessing
5 New Street Square
London
EC4A 3TW

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Espresso UK Limited

Directors' Report for the Period from 30 May 2016 to 28 May 2017

The Directors present their annual report and the audited financial statements of Espresso UK Limited ("the Company") for the 52 week period ended 28 May 2017. The comparatives are for the 52 week period ended 29 May 2016.

Directors of the Company

The directors of the Company who were in office during the period and up to the date of signing (unless otherwise stated) the financial statements were:

G. David (appointed 21 June 2017)
T. Doubleday (resigned 31 August 2017)
S. Richards

Principal activity

The principal activity of the Company is that of operating restaurants but it is currently subletting its only lease to a third party.

Results and dividends

The loss for the financial period amounted to £1,894 (2016: loss £2,977). The Directors do not propose the payment of a dividend (2016: £nil).

There were no exceptional costs recognised by the Company for the 52 week period ended 28 May 2017. The £23 credit in the prior period related to movement in the onerous contract provision, which was outside the normal operations of the Company.

The net liabilities of the Company at 28 May 2017 were £309,106 (2016: £307,212).

Review of developments and future prospects

The property leased by the Company will continue to be sublet to a third party.

Principal risks and uncertainties

From the perspective of the Company, its principal risks and uncertainties are integrated with the principal risks of Casual Dining Bidco Limited and its subsidiaries ("the Group") of which the Company is a member and are not managed separately. The principal risks and uncertainties of the Group are disclosed in Casual Dining Bidco Limited's consolidated financial statements which does not form part of this report.

Key performance indicators

The Directors of Casual Dining Bidco Limited manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Espresso UK Limited. The development, performance and position of the business of the Group is discussed within the Strategic and Directors' Reports of Casual Dining Bidco Limited's consolidated financial statements which does not form part of this report.

Financial risk management

From the perspective of the Company, the financial risks of the Company are integrated with the financial risks of the Group and are not managed separately. Accordingly, the management of the financial risks of the Group, which include those of the Company, are disclosed in Casual Dining Bidco Limited's consolidated financial statements which does not form part of this report.

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Casual Dining Bidco Limited. The Directors have received confirmation that Casual Dining Bidco Limited intends to support the Company for at least one year after these financial statements are signed.

Strategic Report exemption

The Company qualifies for the small company exemption under the Companies Act 2006 and therefore has not prepared a Strategic Report.

Espresso UK Limited

Directors' Report for the Period from 30 May 2016 to 28 May 2017

Statement of directors' responsibilities

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 52 week period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, 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 company will continue in business.

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

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

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 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 company's auditors are aware of that information.

Reappointment of auditors

The auditors PricewaterhouseCoopers LLP are deemed to be reappointed Under section 485(2) of the Companies Act 2006.

Approved by the Board on 28/3/18 and signed on its behalf by:



G. David
Director

Independent auditors' report to the members of Espresso UK Limited

Report on the financial statements

Our opinion

In our opinion, Espresso UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 28 May 2017 and of its loss for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 28 May 2017;
- the Statement of Comprehensive Income for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

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

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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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 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 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.

Gemma Clark

Gemma Clark (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 March 2018

Espresso UK Limited

Statement of Comprehensive Income for the 52 weeks ended 28 May 2017

		Total 52 weeks ended 28 May 2017	Before exceptional items 52 weeks ended 29 May 2016	Exceptional items 52 weeks ended 29 May 2016	Total 52 weeks ended 29 May 2016
	Note	£	£	£	£
Other income		45,000	-	-	-
Administrative expenses		(46,894)	(3,000)	23	(2,977)
Operating loss		(1,894)	(3,000)	23	(2,977)
Loss before taxation		(1,894)	(3,000)	23	(2,977)
Tax on loss	5	-	-	-	-
Loss for the financial period and total comprehensive expense		(1,894)	(3,000)	23	(2,977)

The above results were derived from continuing operations.

The notes on pages 9 to 13 form an integral part of these financial statements.

Espresso UK Limited

**Registration number: 03012988
Statement of Financial Position as at 28 May 2017**

	Note	28 May 2017 £	29 May 2016 £
Assets			
Current assets			
Trade and other receivables	6	-	13,500
		-	13,500
Total assets		-	13,500
Equity and liabilities			
Non-current liabilities			
Provisions for other liabilities and charges	9	-	-
		-	-
Current liabilities			
Trade and other payables	10	(309,106)	(320,712)
Total liabilities		(309,106)	(320,712)
Net liabilities		(309,106)	(307,212)
Equity			
Called up share capital	7	1,000,000	1,000,000
Profit and loss account		(1,309,106)	(1,307,212)
Total equity		(309,106)	(307,212)

These financial statements on page 6 to 13 were approved by the Board of Directors on
and signed on its behalf by:

28/3/18


G. David
Director

The notes on pages 9 to 13 form an integral part of these financial statements.

Espresso UK Limited

Statement of Changes in Equity for the period ended 28 May 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 June 2015	1,000,000	(1,304,235)	(304,235)
Comprehensive loss for the period	<u>-</u>	<u>(2,977)</u>	<u>(2,977)</u>
At 29 May 2016	<u>1,000,000</u>	<u>(1,307,212)</u>	<u>(307,212)</u>
At 30 May 2016	1,000,000	(1,307,212)	(307,212)
Comprehensive loss for the period	<u>-</u>	<u>(1,894)</u>	<u>(1,894)</u>
At 28 May 2017	<u>1,000,000</u>	<u>(1,309,106)</u>	<u>(309,106)</u>

The notes on pages 9 to 13 form an integral part of these financial statements

Espresso UK Limited

Notes to the Financial Statements for the Period ended 28 May 2017

1. General Information

Espresso UK Limited ("the Company") is incorporated in the United Kingdom. The registered office is 1st Floor, 163 Eversholt Street, London NW1 1BU. The Company is a subsidiary of Casual Dining Bidco Limited which forms one of the largest mid-market restaurant operators in the UK with 280 restaurants as at 28 May 2017, operating primarily under the Café Rouge, Bella Italia, Las Iguanas and La Tasca brands.

Information on the ultimate parent of the Company is provided in Note 12.

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared on the going concern basis and under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The financial statements of the Company have been prepared for the accounting period ended 28 May 2017.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. There are no significant accounting judgments required in the preparation of the financial statements.

The functional and presentational currency of the Company is pounds sterling.

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- IAS 7 "Statement of cash flows"
- Paragraph 30 of IAS 8 "Accounting policies, changes in accounting estimates and errors" (disclosure of standard issued but not yet adopted)
- IFRS 7 "Financial instruments: Disclosures"
- Paragraph 17 of IAS 24, "Related party disclosures" (key management compensation)
- The requirements in IAS 24, "Related party disclosures" to disclose related party transactions entered into between two or more members of a group.

Going concern

The financial statements have been prepared on the going concern basis which the Directors believe is appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Casual Dining Bidco Limited. The Company's parent undertaking Casual Dining Bidco Limited has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. This will enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Espresso UK Limited

Notes to the Financial Statements for the Period ended 28 May 2017

2. Accounting policies (continued)

Changes in accounting policy and disclosures

None of the standards, interpretations and amendments effective for the first time for the period ended 28 May 2017 has had a material effect on the financial statements.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for any deferred tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the group the ability to control the reversal of the temporary difference is the deferred tax liability not recognised.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Espresso UK Limited

Notes to the Financial Statements for the Period ended 28 May 2017

2. Accounting policies (continued)

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at managements' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Exceptional items

Costs incurred in the period which are classified as exceptional are those which are material in nature and derive from events or transactions that do not fall within the ordinary activities of the Company and which are individually, or in aggregate, of such size or incidence to require specific disclosure.

3. Staff costs

The Company had no employees during the period (2016: nil). Neither of the two Directors (2016: two) received any remuneration in respect of their services for the Company during the period (2016: £nil).

4. Auditors' remuneration

	30 May 2016 to 28 May 2017 £	1 June 2015 to 29 May 2016 £
Audit of the financial statements	-	2,000
Other fees to auditors		
All other tax-advisory services	-	1,000

The current period auditors' remuneration of £3,500 was borne by a fellow Group company. Fees paid in the current period to the Company's auditor, PricewaterhouseCoopers LLP, and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements. This is on the basis that such non-audit fees are disclosed in the consolidated financial statements of the Company's parent company Casual Dining Bidco Limited.

Espresso UK Limited

Notes to the Financial Statements for the Period ended 28 May 2017

5. Tax on loss

Tax charged in the statement of comprehensive income

	30 May 2016 to 28 May 2017 £	1 June 2015 to 29 May 2016 £
Current taxation		
UK corporation tax	-	-

The tax on loss before taxation for the period is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19.83% (2016 - 20%).

The differences are reconciled below:

	30 May 2016 to 28 May 2017 £	1 June 2015 to 29 May 2016 £
Loss before taxation	(1,894)	(2,977)
Corporation tax at standard rate	(376)	(596)
Expenses not deductible for tax purposes	376	-
Deferred tax asset not recognised	-	596
Total tax charge	-	-

The Finance Act 2015 introduced a reduction in the main rate of corporation tax from 20% to 19% from April 2017 and from 19% to 18% from April 2020. These reductions were substantively enacted on 26 October 2015. This has resulted in a blended rate of 19.83% being used to calculate the tax provision for the 52 weeks to 28 May 2017. The Finance Act 2016 introduced a further reduction in the main rate of corporation tax to 17% from April 2020. This was substantively enacted on 6 September 2016.

6. Trade and other receivables

	28 May 2017 £	29 May 2016 £
Other receivables	-	13,500

7. Called up share capital

Allocated, called up and fully paid shares

	28 May 2017		29 May 2016	
	No.	£	No.	£
Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000

8. Lease commitments

Operating leases – land and buildings

The total future value of minimum lease payments is as follows:

	2017 £	2016 £
Within one year	45,000	45,000
In two to five years	92,959	137,936
In over five years	-	-
	137,959	182,836

Espresso UK Limited

Notes to the Financial Statements for the Period ended 28 May 2017

9. Provisions for liabilities

	Onerous contracts £
At 30 May 2016	-
Additional provision	18,750
Provisions utilised	<u>(18,750)</u>
At 28 May 2017	<u>-</u>

Onerous contracts provision

The provision for onerous contracts is in respect to operating lease arrangements, and represents estimated discounted cash flows over the life of the contract that are considered onerous.

10. Trade and other payables

	28 May 2017 £	29 May 2016 £
Accrued expenses	4,275	-
Amounts owed to other members of the Group	<u>304,831</u>	<u>320,712</u>
	<u>309,106</u>	<u>320,712</u>

Amounts owed to other member of the Group have no fixed repayment date, are interest free and unsecured.

11. Related party transactions

The Company has taken advantage of the exemption in FRS101 "Related Party Disclosures" from disclosing transactions with other members of the Group.

12. Ultimate parent undertaking

The immediate parent undertaking is Casual Dining Bidco Limited, registered in England and Wales, together with its subsidiaries form the smallest group of which the Company is a member and for which group financial statements are drawn up. Casual Dining Group Limited, registered in England and Wales, together with its subsidiaries form the largest group of which the Company is a member and for which group financial statements are drawn up. For both consolidations, copies of these financial statements can be obtained from 1st Floor, 163 Eversholt Street, London, NW1 1BU, United Kingdom.

The Company considers Casual Dining Group S.C.A., a partnership company incorporated in Luxembourg and managed by Casual Dining Group GP S.A., a company incorporated in Luxembourg, as the ultimate parent undertaking, through its ownership of 100% of the share capital of Casual Dining Group Limited. The Company considers Apollo Global Management, LLC, through its managed funds, to be its ultimate controlling party.