

Registrar's Copy

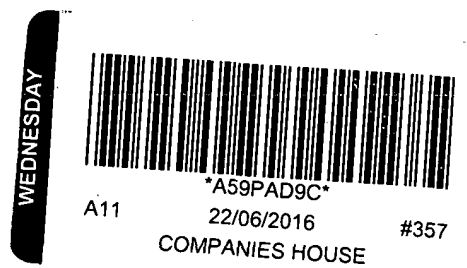
## **Apostrophe Restaurants Limited**

Report and Financial Statements

Period ended

31 December 2015

Company Number 04054395



# **Apostrophe Restaurants Limited**

## **Report and financial statements for the period ended 31 December 2015**

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### **Contents**

#### **Page:**

1	Strategic report
3	Report of the directors
5	Independent auditor's report
7	Statement of comprehensive income
8	Statement of financial position
9	Statement of changes in equity
10	Notes forming part of the financial statements

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### **Country of incorporation**

United Kingdom

### **Legal form**

Private Limited Company

### **Directors**

T J Jones  
W J Toner  
M Musselwhite

### **Secretary and registered office**

N Tinniswood  
  
550 Second Floor  
Thames Valley Park  
Reading,  
Berkshire  
RG6 1RA

### **Company number**

04054395

### **Auditors**

BDO LLP, Kings Wharf, 20-30 Kings Road, Reading, RG1 3EX

# **Apostrophe Restaurants Limited**

## **Strategic report for the period ended 31 December 2015**

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The directors present their strategic report together with the audited financial statements for the period ended 31 December 2015.

### **Principal activities**

Apostrophe operates cafes in central London and at London airports. As well as coffee, tea and other beverages, its product range includes pastries and savouries, gourmet sandwiches and salads, soups and stews, tarts and cakes.

### **Review of the business**

#### **Strategy**

During the period the trading portfolio remained stable. The brand enjoys a loyal customer following and the sales are well balanced between food and drink participation and eat in versus take away.

On 1 June 2015, in order to facilitate the merger between CH & Co Catering Limited and HCMGH Limited, CH & Co Catering Limited sold its investment in Apostrophe Restaurants Limited to Wyfold Farm (Investments) Limited, a company owned by Robyn and Tim Jones. Apostrophe was subsequently purchased by the newly formed group on 17 November 2015.

#### **Performance**

The company measures the performance of its business with reference to turnover, gross profit and operating margin. Turnover for the period of £3.9m was slightly down on the prior year equivalent period. The gross profit margin of 36% was down vs. the prior year of 39.4%.

Measures to curb overheads have been implemented and the net loss was therefore lower than the equivalent period in the prior year.

The Directors are disappointed with business performance and look forward to significant improvement in the new financial year.

#### **Future developments**

The disappointing results of the period to 31 December 2015 gave rise to the need for a reassessment of the customer proposition with a relaunch of the brand proposition and offer taking place during 2016.

### **Principal risks and uncertainties**

Competition on the London High Street continues to be as challenging as ever with the market seeing constant change and innovation from independent and branded operators. Competitor openings, refurbishments, product innovation and promotional activities in tight trading areas are an ongoing risk to turnover. Apostrophe continues to focus on maintaining its market share and position through its focus on quality and service standards, on its product proposition with a focus on taste, and its high design ethos.

The competition for sites in the London property market and the general buoyant nature of the high street means that upward pressure on rental levels is an ever present issue. With a strong brand and customer proposition, Apostrophe continues to offer an attractive brand for landlords and customers and opportunities will exist to enhance the portfolio at acceptable levels of return.

# Apostrophe Restaurants Limited

## Strategic report for the period ended 31 December 2015 (*continued*)

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### Principal risks and uncertainties (*continued*)

Food costs have remained stable throughout the period but continue to be vulnerable to fluctuations affected by availability and global prices. Input prices are managed proactively by constantly evaluating alternative sources, managing our supplier relationships carefully and fixing attractive prices where possible.

The main risks arising from the company's financial instruments are interest rate risk and liquidity risk. These are summarised below.

#### Interest rate risk


The company borrows at variable rates of interest. Based on interest rate projections the Directors are of the opinion that the company does not need to hedge at this stage against interest rate movements.

#### Liquidity risk

The company's policy throughout the year has been that committed facilities are maintained at levels to ensure all planned requirements are met.

### Approval

This strategic report was approved on behalf of the Board on 24 May 2016.



W J Toner

**Director**

# Apostrophe Restaurants Limited

## Report of the directors for the period ended 31 December 2015

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The directors present their report together with the audited financial statements for the period ended 31 December 2015.

### Results and dividends

The statement of comprehensive income for the company is set out on page 7.

There were no dividend distributions during the period (March 2015 - £nil).

### Directors

The directors of the company during the period were:

T J Jones	
A Tyler	<i>(resigned 1 June 2015)</i>
S Lawson	<i>(resigned 1 June 2015)</i>
T Jones	<i>(resigned 1 June 2015)</i>
M Musselwhite	<i>(appointed 18 November 2015)</i>
W Toner	<i>(appointed 18 November 2015)</i>

### Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 company and of the profit or loss of the company 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;
- 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. They 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.

# **Apostrophe Restaurants Limited**

## **Report of the directors for the period ended 31 December 2015 (*continued*)**

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### **Future developments**

Please refer to the strategic report for discussion of the future developments of the company.

### **Financial risk management**

The impact of financial risk management and the associated objectives and policies have been discussed in the strategic report.

### **Post balance sheet events**

There are no post balance sheet events that require disclosure in the financial statements.

### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware. This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

### **On behalf of the Board**



W J Toner

**Director**

Date 24 May 2016

# Apostrophe Restaurants Limited

## Independent auditor's report

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We have audited the financial statements of Apostrophe Restaurants Limited for the period ended 31 December 2015 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for 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.

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

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

# Apostrophe Restaurants Limited

## Independent auditor's report (*continued*)

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### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or



**Simon Brooker** (*senior statutory auditor*)  
*For and on behalf of BDO LLP, statutory auditor*  
Reading  
United Kingdom

Date: 24 May 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Apostrophe Restaurants Limited

## Statement of comprehensive income for the period ended 31 December 2015

	Note	9 months ended 31 December 2015 £	Year ended 31 March 2015 Restated £
<b>Turnover</b>	3	<b>3,858,909</b>	7,249,619
Cost of sales		<b>(2,474,829)</b>	(4,392,838)
<b>Gross profit</b>		<b>1,384,080</b>	2,856,781
Other income		29,860	-
Distribution costs		<b>(1,901,157)</b>	(3,308,336)
Administrative expenses		<b>(657,398)</b>	(1,081,20)
<b>Operating loss</b>	4	<b>(1,144,615)</b>	(1,532,757)
Interest receivable and similar income		-	-
Interest payable and similar charges	8	<b>(6,442)</b>	(7,029)
<b>Loss on ordinary activities before taxation</b>		<b>(1,151,057)</b>	(1,539,786)
Taxation on loss from ordinary activities	9	<b>4,519</b>	(4,519)
<b>Loss for the financial period</b>		<b>(1,146,538)</b>	(1,544,305)

All amounts relate to continuing activities.

There are no recognised gains and losses other than those passing through the income statement.

The notes on pages 10 to 23 form part of these financial statements.

# Apostrophe Restaurants Limited

## Statement of financial position As at 31 December 2015

<i>Company number 04054395</i>	Note	31 December 2015 £	31 December 2015 £	31 March 2015 Restated £	31 March 2015 Restated £
<b>Fixed assets</b>					
Tangible assets	10		1,350,136		1,624,844
<b>Current assets</b>					
Stocks	11	55,034		70,818	
Debtors	12	660,985		574,619	
Cash at bank and in hand		34,406		98,139	
		<u>750,425</u>		<u>743,576</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(716,768)</u>		<u>(1,488,484)</u>	
<b>Net current liabilities</b>			<b>33,657</b>		<b>(744,908)</b>
<b>Total assets less current liabilities</b>			<b>1,383,793</b>		<b>879,936</b>
<b>Creditors: amounts falling due after more than one year</b>	14		<b>(1,927,083)</b>		<b>(1,166,169)</b>
<b>Provisions for liabilities and charges</b>	15		<b>(89,000)</b>		<b>(99,519)</b>
<b>Net liabilities</b>			<b>(632,290)</b>		<b>(385,752)</b>
<b>Capital and reserves</b>					
Called up share capital	17		1,390,122		490,122
Share premium account			1,845,752		1,845,752
Capital redemption reserve			1,942,877		1,942,877
Profit and loss account			<b>(5,811,041)</b>		<b>(4,664,503)</b>
<b>Shareholders' deficit</b>			<b>(632,290)</b>		<b>(385,752)</b>

The financial statements were approved by the Board of Directors and authorised for issue on 24 May 2016.



M Musselwhite

**Director**

The notes on pages 10 to 23 form part of these financial statements.

# Apostrophe Restaurants Limited

## Statements of changes in equity for the period ended 31 December 2015

	Share capital £	Share premium £	Capital contribution £	Retained earnings £	Total £
<b>1 April 2015</b>	490,122	1,845,752	1,942,877	(4,664,503)	(385,752)
Loss for the period	-	-	-	(1,146,538)	(1,146,538)
Other comprehensive income for the period	-	-	-	-	-
<b>Loss for the year and total comprehensive income</b>	-	-	-	<b>(1,146,538)</b>	<b>(1,146,538)</b>
Issues of shares (note 17)	900,000	-	-	-	900,000
<b>At 31 December 2015</b>	<b>1,390,122</b>	<b>1,845,752</b>	<b>1,942,877</b>	<b>(5,811,041)</b>	<b>(632,290)</b>
<b>1 April 2014</b>	490,122	1,845,752	1,942,877	(3,087,415)	1,191,336
Impact of transition to FRS101 on opening reserves	-	-	-	(32,783)	(32,783)
Loss for the period	-	-	-	(1,518,035)	(1,518,035)
Impact of transition to FRS101	-	-	-	(26,270)	(26,270)
Other comprehensive income for the period	-	-	-	-	-
<b>Loss for the year and total comprehensive income</b>	-	-	-	<b>(1,544,305)</b>	<b>(1,544,305)</b>
<b>At 31 March 2015</b>	<b>490,122</b>	<b>1,845,752</b>	<b>1,942,877</b>	<b>(4,664,503)</b>	<b>(385,752)</b>

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Share premium account	Amount subscribed for share capital in excess of nominal value.
Capital contribution account	Shareholder investment through historic waiver of debt owed by the company.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

The notes on pages 10 to 23 form part of these financial statements.

# Apostrophe Restaurants Limited

## Notes forming part of the financial statements for the period ended 31 December 2015

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### 1 Accounting policies

#### *Basis of preparation*

The financial statements have been prepared in accordance with Financial Reporting Standard ("FRS") 100 'Application of Financial Reporting Requirements' and FRS 101 'Reduced Disclosure Framework'. The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements have been prepared on a historical cost basis. In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by CH & Co Catering Group (Holdings) Limited.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of the group. These financial statements do not include certain disclosures in respect of:

- share based payments;
- financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- impairment of assets.

#### *Presentational currency*

The currency used in the presentation of these financial statements is British Pound Sterling.

#### *Judgements and key areas of estimation uncertainty*

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the Company's directors to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

#### *First time application of FRS 100 and FRS 101*

This is the Company's first time application of FRS 100 and FRS 101, therefore all relevant standards and interpretations issued under FRS 100 and FRS 101 have been applied to all the years presented. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has materially altered the recognition and measurement requirements previously applied under old UK GAAP. An explanation of the impact of the adoption of FRS 100 and FRS 101 for the first time is included in note 23.

There have been no other material amendments to the disclosure requirements previously applied.

# Apostrophe Restaurants Limited

## Notes forming part of the financial statements for the period ended 31 December 2015 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Period of account*

The results of these financial statements are shown for the 9 month period ended 31 December 2015 in order to bring the reporting period in line with the group. As such the results are not entirely comparable with the comparative period.

#### *Convention used*

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

#### *Going concern*

The Directors consider that; notwithstanding the company's loss made for the current year and current net liabilities position, that the company has adequate resources to continue in operational existence for the foreseeable future and that it is appropriate to prepare the accounts on a going concern basis for the following reasons:

- The company continues to pay its liabilities as they fall due and the directors believe this will be the case for the foreseeable future.
- Comprehensive financial and cash flow forecasts have also been prepared and approved by the board of directors for a period of not less than 12 months from the date of signature and approval of these financial statements. The directors have, based on the information contained in these forecasts and the continuing support of the ultimate shareholders, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.
- On 27 May 2015 the £900,000 loan between Apostrophe Restaurants Limited and CH & Co Catering Limited was settled through the issue of ordinary shares.

The following principal accounting policies have been applied:

#### *Turnover and revenue recognition*

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

#### *Cash sales*

Revenue is recognised once the goods have been paid for, which are then received by the customer at the counter for consumption on site or take away.

#### *Credit sales*

Revenue is recognised when the goods are delivered and accepted by the customer and the amount is payable by the customer per the credit terms agreed.

#### *Franchise agreement sales*

Revenue for franchise agreement payments allowing third parties to open Apostrophe branded sites is recognised straight line over the term of that franchise period. Sales arising from those franchise sites are recognised as a percentage of sales taken each month in accordance with the cash and credit sales policies described above.

# Apostrophe Restaurants Limited

## Notes forming part of the financial statements for the period ended 31 December 2015 (*continued*)

### 1 Accounting policies (*continued*)

#### *Tangible fixed assets and depreciation*

Tangible fixed assets initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Depreciation is provided on items of property, plant and equipment so as to write off their carrying value, less estimated residual values, over their expected useful economic lives. It is calculated at the following rates:

Leasehold buildings and improvements	-	over the period of the lease
Plant and machinery	-	10% straight line
Fixtures, fittings and equipment	-	15% straight line

#### *Stocks*

Stocks are initially stated at cost and subsequently at the lower of cost, after supplier discounts, and estimated selling price less costs to sell, which is equivalent to the net realisable value.

#### *Taxation*

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the date of the statement of financial position.

#### *Deferred taxation*

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries and jointly controlled entities where the company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities or assets are settled or recovered.

#### *Leases*

Where substantially all of the risk and rewards incidental to ownership are not transferred to the company (an "operating lease"), the total rentals payable under the lease are charged to the statement of comprehensive income on a straight line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight line basis.

Lease incentives primarily include upfront cash payments or rent-free periods. Lease incentives are capitalised and spread over the period of the lease term.

# Apostrophe Restaurants Limited

## Notes forming part of the financial statements for the period ended 31 December 2015 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

#### *Provisions*

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

#### *Financial assets*

The Company does not have any financial assets which it would classify as fair value through profit or loss, held for trading or held to maturity. Therefore all financial assets are classed as below:

#### *Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash in hand and deposits held at call with banks.

#### *Financial liabilities*

The Company does not have any financial liabilities that would be classified as fair value through the profit or loss. Therefore these financial liabilities are classified as financial liabilities at amortised cost, as defined below.

Financial liabilities include the following items:

- Trade and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.
- Loans from group companies are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

# Apostrophe Restaurants Limited

## Notes forming part of the financial statements for the period ended 31 December 2015 (*continued*)

### 2 Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Deferred tax*

Under IAS 12 "Income taxes" deferred tax assets are recognised to the extent that taxable profits will be available against which the deductible temporary differences can be utilised. As at the year end the directors consider that the IAS 12 recognition criteria are satisfied.

#### *Provisions*

Dilapidations provisions have been made for properties which the Company currently lease based upon the cost to make good the property in accordance with lease terms where appropriate.

### 3 Turnover

The whole of the turnover for the period has been derived from its principal activity.

All turnover arose within the United Kingdom.

### 4 Expenses by nature

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
This has been arrived at after charging/(crediting):		
Cost of stock recognised as an expense	1,133,550	1,968,736
Staff costs (see note 6)	1,637,181	2,881,119
Depreciation – assets owned by the company	289,316	763,426
Difference on foreign exchange	-	(118)
Loss on disposal of fixed assets	16,254	6,750
Operating lease expense		
Plant and machinery	2,792	23,074
Land and buildings	896,402	1,328,068



# Apostrophe Restaurants Limited

Notes forming part of the financial statements  
for the period ended 31 December 2015 (*continued*)

## 5 Auditor remuneration

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
Fees for the audit of the company	9,500	12,000

Fees paid to the company auditor, BDO LLP, and its associates for services other than the statutory audit of the company are not disclosed in Apostrophe Restaurants Limited's accounts since the consolidated accounts of CH and Co Catering Group Limited, are required to disclose non-audit fees on a consolidated basis.

## 6 Employees

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
Staff costs consist of:		
Wages and salaries	1,540,687	2,695,817
Social security costs	96,494	185,302
	<u>1,637,181</u>	<u>2,881,119</u>

The average number of employees, including directors, during the period was:

	Number	Number
Management and administration	5	7
Restaurant staff	110	150
	<u>115</u>	<u>157</u>

## 7 Directors

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
Directors' remuneration consists of:		
Emoluments	-	-
Compensation for loss of office	-	70,000
	<u>-</u>	<u>70,000</u>

The number of directors who are entitled to receive shares under long term incentive schemes during the year was Nil (31 March 2015 - 1).

# Apostrophe Restaurants Limited

Notes forming part of the financial statements  
for the period ended 31 December 2015 (*continued*)

## 8 Interest payable and similar charges

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
Bank loans and overdrafts	6,442	7,029

## 9 Taxation on profit from ordinary activities

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
<i>Analysis of tax charge in the period</i>		
<i>Current tax (see note below)</i>		
UK corporation tax on loss for the period	-	-
Total current tax	-	-
<i>Deferred tax (see note 15)</i>		
Origination and reversal of timing differences	(4,519)	4,519
Taxation (credit) / charge on loss on ordinary activities	(4,519)	4,519

# Apostrophe Restaurants Limited

## Notes forming part of the financial statements for the period ended 31 December 2015 (continued)

### 9 Taxation on profit from ordinary activities (continued)

#### Factors affecting tax charge for the period

The tax assessed for the period of £nil (March 2015 – £nil) is different from the average standard rate of corporation tax in the UK of 20% (March 2015 - 21%). The differences are explained below:

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
Loss on ordinary activities before tax	<b>(1,151,057)</b>	(1,539,786)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20% (31 March 2015 - 21%)	<b>(230,211)</b>	(323,355)
Effects of:		
Expenses not deductible for tax purposes	<b>4,543</b>	18,360
Fixed asset differences	<b>21,559</b>	61,617
Income not taxable	<b>(11,811)</b>	(4,651)
Other tax adjustments and reliefs	<b>(3,251)</b>	-
Group relief surrendered	<b>68,861</b>	198,267
Adjustment to tax charge in respect of previous periods	-	4,822
Adjust closing deferred tax to average rate of 20%	<b>45,215</b>	(12,985)
Adjust opening deferred tax to average rate of 20%	-	15,092
Deferred not recognised	<b>100,570</b>	48,301
Other timing differences leading to an increase in taxation	<b>6</b>	(949)
Current tax charge for period (see note above)	<b>(4,519)</b>	4,519

#### Factors that may affect future tax charges

The company has estimated trading losses of £2,237,715 (March 2015 - £1,531,995) available for carry forward against future trading profits.

# Apostrophe Restaurants Limited

Notes forming part of the financial statements  
for the period ended 31 December 2015 (*continued*)

## 10 Tangible assets

	Leasehold buildings and improvements £	Plant and machinery £	Furniture, fittings and equipment £	Total £
<i>Cost</i>				
At 31 March 2015	3,289,146	943,207	2,389,082	6,621,435
Additions	15,586	4,302	10,974	30,862
Disposals	(471,121)	(93,489)	(586,967)	(1,151,577)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	<b>2,833,611</b>	<b>854,020</b>	<b>1,813,089</b>	<b>5,500,720</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 31 March 2015	2,235,474	625,037	2,136,080	4,996,591
Charge for the period	165,794	50,586	72,936	289,316
Disposals	(470,342)	(88,411)	(576,570)	(1,135,323)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	<b>1,930,926</b>	<b>587,212</b>	<b>1,632,446</b>	<b>4,150,584</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2015	<b>902,685</b>	<b>266,808</b>	<b>180,643</b>	<b>1,350,136</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	1,053,672	318,170	253,002	1,624,844
	<hr/>	<hr/>	<hr/>	<hr/>

The total loss made on disposals in the year was £16,254 (March 2015 - £6,750).

## 11 Stocks

	31 December 2015 £	31 March 2015 £
Finished goods and goods for resale	<b>55,034</b>	70,818
	<hr/>	<hr/>

There is no material difference between the replacement cost of stock and the amounts stated above.

# Apostrophe Restaurants Limited

Notes forming part of the financial statements  
for the period ended 31 December 2015 (continued)

## 12 Debtors

	31 December 2015 £	31 March 2015 £
<i>Due after more than one year</i>		
Other debtors	100,424	116,775
<i>Due within one year</i>		
Trade debtors	104,708	85,244
Other debtors	41,164	54,306
Prepayments and accrued income	414,689	318,294
	<u>660,985</u>	<u>574,619</u>

Debtors include amounts of £100,424 (March 2015 - £116,775) for rent deposits falling due after more than one year.

## 13 Creditors: amounts falling due within one year

	31 December 2015 £	31 March 2015 Restated £
Bank overdraft	-	528,844
Trade creditors	292,031	469,914
Social security and other taxes	63,629	149,262
Other creditors	39,619	158,016
Amounts due to group companies	171,470	-
Accruals and deferred income	150,019	182,448
	<u>716,768</u>	<u>1,488,484</u>

## 14 Creditors: amounts falling due after more than one year

	31 December 2015 £	31 March 2015 Restated £
Deferred income	15,973	-
Intra-group creditor	799,655	900,000
Related party loan	875,000	-
Other creditors	236,455	266,169
	<u>1,927,083</u>	<u>1,166,169</u>

# Apostrophe Restaurants Limited

Notes forming part of the financial statements  
for the period ended 31 December 2015 (*continued*)

## 15 Provisions for liabilities and charges

	Dilapidations provision £	Deferred taxation £	Total £
At beginning of period	95,000	4,519	99,519
Utilised in the year	(20,955)	(4,519)	(25,474)
Charged for period	14,955	-	14,955
	<hr/>	<hr/>	<hr/>
At end of period	89,000	-	89,000
	<hr/>	<hr/>	<hr/>

Refer to note 16 for details of the deferred tax liability.

## 16 Deferred tax liability

	31 December 2015 £	31 March 2015 £
At beginning of period	(4,519)	-
Charged for period	4,519	(4,519)
	<hr/>	<hr/>
At end of period	-	(4,519)
	<hr/>	<hr/>
The deferred tax liability is made up as follows:		
Accelerated capital allowances	-	(4,519)
	<hr/>	<hr/>

The company has an unrecognised gross deferred tax asset of £406,937 (March 2015 - £306,367) in respect of trading losses carried forward and temporary fixed asset and short term differences..

## 17 Share capital

	31 December 2015 Number	Allotted, called up and fully paid 31 March 2015 Number	31 December 2015 £	31 March 2015 £
Ordinary shares of £0.01 each	139,012,206	49,012,206	1,390,122	490,122
	<hr/>	<hr/>	<hr/>	<hr/>

On 27 May 2015, 90,000,000 ordinary shares were issued in exchange for the £900,000 debt owed to CH & Co Catering Limited.

# Apostrophe Restaurants Limited

## Notes forming part of the financial statements for the period ended 31 December 2015 (continued)

### 18 Commitments under operating leases

As at 31 December 2015, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 31 December 2015 £	Other 31 December 2015 £	Land and buildings 31 March 2015 £	Other 31 March 2015 £
Operating leases which expire:				
Within one year	1,042,614	1,729	1,075,191	1,729
In two to five years	1,761,049	2,161	2,188,941	3,458
Over five years	163,575	-	228,245	-
	<u>2,967,238</u>	<u>3,890</u>	<u>3,492,377</u>	<u>5,187</u>

### 19 Pensions

The Group operates a defined contribution scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The Group also makes contributions into the personal pension schemes of certain directors. The pension cost charge represents total contributions payable by the Group in respect of pensions.

Pension contributions for the year amounted to £13,352 (March 2015 - £17,052). At 31 December 2015 there were outstanding pension contributions of £4,053 (March 2015 - £4,360).

### 20 Related party transactions

As a wholly owned subsidiary undertaking of an ultimate parent undertaking whose financial statements are publicly available, the Company has taken advantage of the exemption available under "FRS 101 Reduced Disclosure Framework" and has not disclosed transactions with other wholly owned members of the group.

At 31 December 2015 the Company had a loan of £875,000 owed to T J Jones, a director of the Company (March 2015 - £nil). The amount is due to be settled within the year.

### 21 Events after the reporting date

There are no material events after the reporting date that require disclosure.

# Apostrophe Restaurants Limited

## Notes forming part of the financial statements for the period ended 31 December 2015 (*continued*)

### 22 Ultimate controlling party

On 1 June 2015 CH & Co Catering Limited sold its investment in Apostrophe Restaurants Limited to Wyfold Farm (Investments) Limited, a company owned by T Jones and R Jones.

Subsequently, on 17 November 2015, the entire share capital of Apostrophe Restaurants Limited was acquired by CH & Co Catering Group Limited

After the year end, on 12 May 2016, the Company was reacquired by CH & Co Catering Limited from CH & Co Catering Group Limited.

Following the change in ownership during the year, the immediate parent company is CH & Co Catering Limited, a company incorporated and registered in the United Kingdom. At 31 December 2015 the ultimate controlling company is CH & Co Catering Group (Holdings) Limited, a company incorporated and registered in the United Kingdom.

The largest group of undertakings for which group accounts are drawn up and of which the company is included is the group headed by CH & Co Catering Group (Holdings) Limited. The smallest such group is the group headed by CH & Co Catering Group Limited.

There is not considered to be a single ultimate controlling party following this change in ownership.

### 23 First time adoption of FRS 101 'Reduced Disclosure Framework'

This is the first time that the Company has adopted FRS 101 having previously applied applicable UK accounting standards.

The date of transition to FRS 101 was 1 April 2014.

In applying FRS 101 for the first time the Company has made the following elections:

- to retain the carrying value of tangible fixed assets at the previous carrying amounts under applicable UK accounting standards.

The following table summarises the effects on the company's equity and total comprehensive income of applying FRS101 for the first time.

#### Reconciliation of equity at 1 April 2014

	£
Shareholders' funds as reported previously in accordance with applicable UK accounting standards	1,191,336
Effect of lease incentive adjustment	(32,783)
	<hr/>
Shareholders' funds as reported in accordance with FRS101	1,158,553
	<hr/>



# Apostrophe Restaurants Limited

Notes forming part of the financial statements  
for the period ended 31 December 2015 (*continued*)

## 23 First time adoption of FRS 101 'Reduced Disclosure Framework' (*continued*)

### Reconciliation of equity at 31 March 2015

	£
Shareholders' funds as reported previously in accordance with applicable UK accounting standards	(326,699)
Effect of lease incentive adjustment	(59,053)
	<hr/>
Shareholders' funds as reported in accordance with FRS101	(385,752)
	<hr/>

### Reconciliation of total comprehensive income for the year ended 31 March 2015

	£
Loss for the year as reported previously in accordance with applicable UK accounting standards	(1,518,035)
Effect of lease incentive adjustment	(26,270)
	<hr/>
Loss for the year as reported in accordance with FRS101	(1,544,305)
	<hr/>

The adjustments arising on transition from applicable UK accounting standards to FRS101 for the first time are explained as follows:

#### 1) *Lease incentives*

In accordance with applicable UK accounting standards lease incentives were recognised in profit or loss on a straight line basis over the shorter of the term of the lease and a period up to when the prevailing market rental would be payable under the contractual terms of the lease.

In accordance with FRS101 (by virtue of SIC 15 *Operating Leases – Incentives*) lease incentives are recognised in profit or loss on a straight line basis over the terms of the lease.

#### 2) *Holiday pay accrual*

Under applicable UK accounting standards the company's accounting policy was not to accrue for accumulated compensated absences in the form of holiday pay.

In accordance with FRS101 (by virtue of IAS 19 *Employee Benefits*) accumulated compensated absences including holiday pay are accrued for.

No material movement was identified at the end of 31 March 2015. Due to the change in the company's financial year end now being aligned with the company's holiday year, and the policy not to roll forward any untaken holiday, no such provision is applicable for the year ended 31 December 2015, and the comparative has not been restated.