

Company Registration No. 08462175

Panther Partners Limited

Annual Report and Financial Statements

For the year ended 31 March 2019



Panther Partners Limited

Annual report and financial statements for the year ended 31 March 2019

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Panther Partners Limited

Annual report and financial statements for the year ended 31 March 2019

Officers and professional advisers

Directors

D A L Gunewardena
D M Loewi
P Sellers (resigned 22 May 2019)
S M C Sherwood (resigned 10 May 2018)
T Harris-Speid (resigned 10 May 2018)
G A Thorley (appointed 10 May 2018)
C Hurley (appointed 10 May 2018)

Registered Office

16 Kirby Street
London
EC1N 8TS
United Kingdom

Auditor

BDO LLP
Statutory Auditor
55 Baker Street
London
United Kingdom

Banker

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Solicitor

CMS CMNO LLP
Cannon Place, 78 Cannon Street
London
EC4N 6AF

Panther Partners Limited

Strategic report

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

The principal activities of the Group are the ownership and operation of restaurants and a hotel.

Business Review and key performance indicators

The Group continued to grow during the financial year despite a challenging macroeconomic environment. Revenues increased overall by 14% to £144.7m and underlying revenues increased on a like for like basis by 4.1%. EBITDA, the Group's principal profit metric, increased by £1.3m to £12.8m for the year to 31 March 2019. Costs increased during the year due to a combination of general cost inflation, strengthening of the central management team ahead of the Group's further expansion in the US, and trading costs relative to the new openings. This was however, more than offset by strong underlying revenues and the success of the newly opened 20 Stories in Manchester which outperformed expectations.

A reconciliation between EBITDA and loss before tax has been provided below:

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
EBITDA	12,836	11,487
<i>Less</i>		
Depreciation	(5,929)	(4,461)
Amortisation	(1,749)	(1,750)
Exceptional items (note 8)	3,697	(655)
Impairment of fixed assets	-	(1,220)
Impairment of goodwill	(1,092)	(537)
Pre-opening costs	(2,532)	(2,069)
Interest	(7,424)	(6,524)
<i>Add</i>		
Share of (losses)/profits of joint venture	-	(38)
(Loss) before tax	<u>(2,193)</u>	<u>(5,767)</u>

The group defines EBITDA as earnings before interest, taxation, depreciation, amortisation, pre-opening costs and exceptional items.

Panther Partners Limited

Strategic report

The reported profits of the Group are reduced by a number of significant non-cash charges, pre-opening costs and one-off items as follows:

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Statutory loss before taxation	(2,193)	(5,767)
<i>Non-cash charges</i>		
Amortisation of intangible fixed assets and depreciation	7,678	6,211
Accrued interest on senior debt and CAPEX facility	470	469
Accrued interest on loan & PIK notes	4,898	4,320
Amortisation of issue costs	317	371
Impairment of fixed assets	-	1,220
Impairment of goodwill (Note a)	1,092	537
Pre-opening costs (Note b)	2,532	2,069
<i>One off items</i>		
Central management restructuring and litigation costs	-	655
Exceptional items (Note c)	(3,697)	-
Profit before taxation before non-cash charges and one-off items	11,097	10,085

Note a: Of the impairment of goodwill, £520k relates to Plateau Restaurant Limited and £500k relates to Le Pont de la Tour limited with the balance of £72k relating to smaller write downs across the estate.

Note b: Relates primarily to pre-opening and launch costs at the Bluebird and Queensyard restaurants in New York. (2018: Issho, East 59th, Fiume, 20 Stories, Bluebird White City and Orrery).

Note c: Net exceptional income of £3,697,000 primarily relates to the sale of the sites at Royal Exchange, Kensington Place and Fish Shop whereby all costs associated with the closures have been offset against the income received. The sites were close to the expiry of their leases and the proceeds received on exit substantially exceeded the value of their earnings. Included in this figure were a further £296,000 of one-off costs incurred during the year.

The directors consider the results for the year in terms of turnover and EBITDA, to be satisfactory given challenging market conditions.

Results and dividends

The Group's turnover excluding share of turnover from joint ventures for the year ended 31 March 2019 was £144,692,000 (year ended 31 March 2018: £126,876,000) and the loss after taxation for the year was £3,487,000 (year ended 31 March 2018 a loss of: £6,005,000). The directors do not recommend a dividend for the financial year (2018: £nil).

Principal risks and uncertainties

The principal risks and uncertainties arising from both internal and external factors that could impact the Group's performance and the related mitigating activities to manage that risk are considered below. The Group has risk management processes to identify, monitor and evaluate such issues as they emerge enabling the Board to take appropriate action where possible. The factors listed below should be considered in connection with any forward looking statements in this report. These forward looking statements reflect the Board's current expectations concerning future events and actual results may differ from these expectations.

Panther Partners Limited

Strategic report (continued)

Economic and market risk

The uncertainty surrounding Brexit and overexpansion of restaurants, particularly in casual dining, has resulted in market conditions continuing to be challenging. This is reflected in the number of recent high profile restaurant failures. Whilst the Group continues to be committed to the UK, its expansion during the year with two significant new openings in New York represents a strategy to make the business less reliant on the UK economy in the long term.

The Group is committed to maintaining a highly desirable customer experience. The D&D brand is synonymous with style and exclusivity. Internal processes ensure that the Group is well positioned to react to market pressures while continuing to deliver a high quality product at competitive prices to its customers.

Operational efficiency and cost control

The Group faces growing internal and external cost pressures. These pressures are managed with a focus on improving supply chain management, operational efficiency and rigorous cost control. The Group is constantly looking to implement new initiatives to improve efficiency across the whole business, resulting in lower operating costs without compromising product quality or service levels. This helps support the business's competitiveness and profitability.

Financing and treasury

Key to the financial success of the business is the availability of sufficient bank facilities to permit the Group to meet its obligations and to enable it to continue to fund its growth through investment in new restaurants and in improving its existing venues.

The Group utilises a £3,000,000 revolving credit facility principally for working capital purposes, of which £625,000 was drawn at the year end.

The Group manages its interest rate and foreign currency risks through appropriate policies laid down by the Board. The Group adopts natural and contracted hedges to manage exchange rate risk as well as swap contracts to manage interest rate risk. The policies and strategies to manage these risks are described in note 1 to the consolidated financial statements.

Major operational risk

In common with other businesses the Group depends on its process and control framework to mitigate the possibility of a major failure in operations, information technology, finance, human resources or other key business processes capable of having an impact on its performance. These failures may be caused by internal factors such as a major information technology systems failure, a supply chain breakdown or failure to retain key personnel. They could also be driven by external events such as disruptions or other adverse events affecting our relationship with or the performance of major suppliers, financial services providers, designers or concessionaires, terrorism or natural disasters and other major events which impact the Group as well as the communities it serves. The Group is committed to developing and strengthening its coordinated risk management and assurance mechanisms to manage these risks in a manner which it believes ensure an appropriate and effective control framework for its businesses at a local, national and corporate level.

Major health and safety and environmental risks

The Group takes its responsibilities in the field of health, safety and the environment very seriously and fully recognises the potential human, reputational and financial consequences of these risks. The business has dedicated teams addressing these risks and follows relevant policies and procedures. During the year the Group eliminated the use of plastic straws as a sign of its commitment to a sustainable environment.

Group strategy and future outlook

The general economic outlook for London, D&D's principal market, despite the uncertainty surrounding Brexit is considered to be stable. The Group's like for like sales in the year to 31st March 2019 of 4.1% is favourable in comparison to the rest of the market. Despite this, the directors continue to assess the market conditions and have the

Panther Partners Limited

Strategic report (continued)

ability to reduce costs if top line growth starts to slow. The Directors have committed to continued expansion of the business through new ventures and refurbishment and remodelling of existing venues. The Group has signed an agreement to open a rooftop restaurant at 120 Fenchurch Street in London and plans to open a restaurant/events venue at Cabot Circus in Bristol. The Group is also considering a number of other significant projects for 2020 and beyond in the UK, mainland Europe and in the US.

The Group remains keenly focused on improving profitability through operational changes to the Group's restaurants and hotel, its supply chain and business processes and by further focused investment in the Group. The Group rigorously plans and controls its cost base and remains committed to cash generation and protection activities. It maintains its review processes and actions across the business to deliver cash improvements and enhance its risk measures to protect the business.

The Directors remain optimistic and believe that the Group will continue to grow profitably whilst continuing to deliver customers a consistently high quality experience.

Approved by the Board of Directors
and signed on behalf of the Board on 27 September 2019



D A L Gunewardena
Director

Panther Partners Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2019. The Group has chosen, in accordance with section 414c(11) of the Companies Act 2006, and as noted in this Directors' Report, to include certain additional matters in its strategic report that would otherwise be required to be disclosed in this Directors' Report. This includes financial risk management objectives and policies, events which have occurred since the end of the financial year and future developments.

Directors

The directors, who served throughout the year and to the date of this report, except as noted, were as follows:

D A L Gunewardena
D M Loewi
P Sellers (resigned 22 May 2019)
S M C Sherwood (resigned 10 May 2018)
T Harris-Speid (resigned 10 May 2018)
G A Thorley (appointed 10 May 2018)
C Hurley (appointed 10 May 2018)

Dividends

The directors do not recommend a dividend for the financial year (2018: £nil).

Going Concern

The directors have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found within the Significant Accounting Policies disclosed within the notes to the financial statements (see note 1).

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

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Directors' report (continued)

Directors' statements as to disclosure of information to auditor

The directors who were members of the board at the time of approving the Directors' report are listed above and on page 1.

Each of the persons who is a director at the date of approval of this report confirms that:

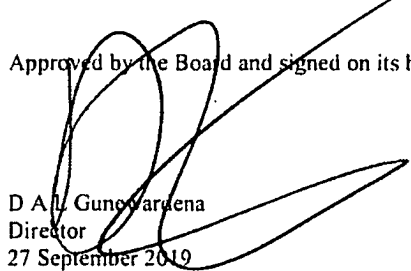
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

BDO LLP were appointed in the year and have indicated their willingness to continue in office and a resolution to reappoint them as auditor will be put to the members at the Annual General Meeting.

Approved by the Board and signed on its behalf by:



D A L Gunewardena
Director
27 September 2019

Panther Partners Limited

Directors' responsibilities statement

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; 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 to 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.

Independent auditor's report to members of Panther Partners Limited

Opinion

We have audited the financial statements of Panther Partners Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2019 which comprise the consolidated statement of profit and loss, consolidated statement of comprehensive income, the consolidated and company balance sheet, the consolidated and company statement of changes in equity, the consolidated statement of cash flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice)

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2019 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

Independent auditor's report to the members of Panther Partners Limited (continued)

whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

Responsibilities of Directors

As explained more fully in the Director's responsibility statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report to the members of Panther Partners Limited (continued)

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark RA Edwards (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

27/09/2019

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

Panther Partners Limited

Consolidated profit and loss account For the year ended 31 March 2019

	Notes	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Turnover: Group and share of joint ventures	3	145,630	128,270
Less share of turnover of joint ventures		(938)	(1,394)
Group revenue		<u>144,692</u>	<u>126,876</u>
Cost of sales		(131,440)	(114,229)
Gross profit		<u>13,252</u>	<u>12,647</u>
Underlying administrative expenses		(8,094)	(7,371)
Impairment of fixed assets		-	(1,220)
Impairment of goodwill		(1,092)	(537)
Pre opening costs		(2,532)	(2,069)
Exceptional items		3,697	(655)
Administrative expenses		<u>(8,021)</u>	<u>(11,852)</u>
Group operating profit	4	5,231	795
Share of net (loss) profit of joint ventures		-	(38)
Total operating profit		<u>5,231</u>	<u>757</u>
Interest payable and similar charges	7	(7,424)	(6,524)
(Loss) on ordinary activities before taxation		<u>(2,193)</u>	<u>(5,767)</u>
Tax charge on loss on ordinary activities	9	(1,294)	(238)
(Loss) on ordinary activities after taxation		<u>(3,487)</u>	<u>(6,005)</u>
Non – controlling interests		(24)	7
(Loss) for the financial year		<u><u>(3,511)</u></u>	<u><u>(5,998)</u></u>

All amounts reported in the profit and loss account relate to continuing activities.

Panther Partners Limited

Consolidated statement of comprehensive income For the year ended 31 March 2019

	2019 £'000	2018 £'000
Loss for the financial year	(3,511)	(5,998)
Currency translation differences	<u>429</u>	<u>(615)</u>
Total comprehensive loss for the year	(3,082)	(6,613)
Loss for the financial year attributable to:		
Non-controlling interest	(24)	7
Owners of the parent company	<u>(3,487)</u>	<u>(6,005)</u>
	<u>(3,511)</u>	<u>(5,998)</u>
 Total comprehensive loss attributable to:		
Non-controlling interest	(24)	7
Owners of the parent company	<u>(3,058)</u>	<u>(6,620)</u>
	<u>(3,082)</u>	<u>(6,613)</u>

Panther Partners Limited

Consolidated and company balance sheet As at 31 March 2019

		Group		Company	
	Notes	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Fixed assets					
Intangible assets	10	22,398	27,156	-	-
Tangible assets	11	64,160	54,362	-	-
		<u>86,558</u>	<u>81,518</u>	<u>-</u>	<u>-</u>
Investment in subsidiaries	12	-	-	17,895	17,895
Investment in joint ventures	12	-	-	-	-
Total investments		<u>-</u>	<u>-</u>	<u>17,895</u>	<u>17,895</u>
		<u>86,558</u>	<u>81,518</u>	<u>17,895</u>	<u>17,895</u>
Current assets					
Stock	13	5,087	4,764	-	-
Debtors	14	17,405	12,498	57,250	53,079
Cash at bank and in hand		-	-	4,210	-
		<u>22,492</u>	<u>17,262</u>	<u>61,730</u>	<u>53,079</u>
Creditors: amounts falling due within one year	15	<u>(40,732)</u>	<u>(32,494)</u>	<u>(12,171)</u>	<u>(3,546)</u>
Net current (liabilities)/assets		<u>(18,240)</u>	<u>(15,232)</u>	<u>49,559</u>	<u>49,533</u>
Total assets less current liabilities		<u>68,318</u>	<u>66,286</u>	<u>67,454</u>	<u>67,428</u>
Creditors: amounts falling due after more than one year	16	(91,947)	(86,998)	(82,360)	(79,803)
Provisions for liabilities and charges	17	(1,703)	(1,569)	-	-
Non-controlling interests		<u>(158)</u>	<u>(127)</u>	<u>-</u>	<u>-</u>
Net liabilities		<u>(25,490)</u>	<u>(22,408)</u>	<u>(14,906)</u>	<u>(12,375)</u>
Capital and reserves					
Called up share capital	19	139	139	139	139
Share premium account	19	160	160	160	160
Profit and loss account		<u>(25,789)</u>	<u>(22,707)</u>	<u>(15,205)</u>	<u>(12,674)</u>
Total shareholders' deficit		<u>(25,490)</u>	<u>(22,408)</u>	<u>(14,906)</u>	<u>(12,375)</u>

No profit and loss account is presented for Panther Partners Limited as permitted by Section 408 of the Companies Act 2006. The company's loss for the financial year was £2,531,000 (2018: £2,245,000).

The financial statements of Panther Partners Limited (registered number 08462175) were approved by the Board of Directors and authorised for issue on 27 September 2019.

Signed on behalf of the Board of Directors

D A L Gunewardena

Panther Partners Limited

Consolidated and company statement of changes in equity As at 31 March 2019

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' deficit £'000
Group				
At 1 April 2017	139	160	(16,094)	(15,795)
Exchange difference on net assets of subsidiaries	-	-	(615)	(615)
Loss attributable to members of the parent undertaking	-	-	(5,998)	(5,998)
At 31 March 2018	139	160	(22,707)	(22,408)
	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' deficit £'000
Group				
At 1 April 2018	139	160	(22,707)	(22,408)
Exchange difference on net assets of subsidiaries	-	-	429	429
Loss attributable to members of the parent undertaking	-	-	(3,511)	(3,511)
At 31 March 2019	139	160	(25,789)	(25,490)
	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' deficit £'000
Company				
At 1 April 2017	139	160	(10,429)	(10,130)
Loss after taxation	-	-	(2,245)	(2,245)
At 31 March 2018	139	160	(12,674)	(12,375)
	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' deficit £'000
Company				
At 1 April 2018	139	160	(12,674)	(12,375)
Loss after taxation	-	-	(2,531)	(2,531)
At 31 March 2019	139	160	(15,205)	(14,906)

Panther Partners Limited

Consolidated cash flow statement For the year ended 31 March 2019

	Notes	2019 £'000	2018 £'000
Net cash flows from operating activities	20	15,170	13,216
Corporation tax (paid)/refunded		151	(73)
Net cash flows from operating activities		15,321	13,143
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(16,181)	(15,487)
Receipt from exceptional items		6,392	-
Net cash flows from investing activities		(9,789)	(15,487)
Net cash flows from financing activities			
Interest paid		(2,273)	(1,488)
Issue costs on borrowing		-	-
Decrease in short term borrowings		-	-
Increase in long term borrowings		-	4,000
Repayment of long term borrowings		(2,594)	-
Net cash flows from financing activities		(4,867)	762
(Decrease)/increase in cash and cash equivalents		665	168
Cash and cash equivalents at beginning of year		(1,290)	(1,458)
Cash and cash equivalents at end of year		(625)	(1,290)

Panther Partners Limited

Notes to the financial statements For the year ended 31 March 2019

1. Significant accounting policies

Accounting convention

Panther Partners Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements have been rounded to the nearest £000's.

The financial statements have been prepared on the historical cost convention. The principal accounting policies are set out below.

The company have not presented a statement of cash flows as permitted under FRS 102.

In carrying out the transition to FRS 102 the company has applied the following exemptions as permitted by Section 35 'Transition to this FRS':

Lease incentives

Under previous UK GAAP operating lease incentives such as rent free periods were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 requires that such incentives be spread over the lease period. The company has taken advantage of the exemption for existing leases at the transition date to continue to recognise these lease incentives on the same basis as previous UK GAAP. Accordingly the FRS 102 accounting policy has been applied to new operating leases entered into since 1 April 2015.

Goodwill

Under previous UK GAAP goodwill was amortised over 20 years. FRS 102 requires that goodwill is amortised over 10 years unless it can be reasonably assessed to a specific period of time. The company has taken advantage of the exemption for existing goodwill at the transition date to continue to amortise goodwill on the same basis as previous UK GAAP.

Basis of consolidation

The Group financial statements consolidate the financial statements of Panther Partners Limited and all its subsidiary undertakings to 31 March 2019, together with the Group's share of the net assets and results of its joint ventures.

Subsidiaries are consolidated, using the acquisition method of accounting, from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred from the Group.

The assets, liabilities and contingent liabilities of a subsidiary are measured at the fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the separately identifiable net assets acquired is recognised as goodwill. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

1. Significant accounting policies (continued)

Going concern

The directors have reviewed the Group's forecasts, taking a prudent view of trading performance in the next 12 months. These show that the Group should be able to operate within its banking facilities and loan covenants.

However, should the Group's trading deteriorate, the directors believe that they will be able to take appropriate actions, such as the sale of non-core property and other investments, to continue to operate within the Group's existing bank facilities.

Whilst the Group has net current liabilities of £18,240,000 (2018: £15,232,000), this does not represent a risk to liquidity given the natural working capital cycle of the restaurants and management's ability to manage cash flow. The net liability position of £25,490,000 (2018: £22,408,000) includes shareholder loans of £35,817,000 (2018: £32,512,000) which are not expected to be recalled in the near term, given the impact on shareholder value should that occur. The directors have a reasonable expectation that the company and the Group have adequate resources to continue to trade for the foreseeable future. Accordingly the Group continue to adopt the going concern basis in preparing the annual report and financial statements. Refer to the Strategic report & Directors' report for further going concern considerations.

Intangible fixed assets

Goodwill

Positive goodwill is capitalised, classified as an asset at cost on the balance sheet and amortised on a straight-line basis over its useful economic life as determined by management, up to a maximum of 20 years (for goodwill arising prior to the adoption of FRS 102). Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Lease intangibles

On acquisition, leasehold properties with embedded values in the lease are capitalised as an asset on the balance sheet at cost and amortised on a straight line basis over the remaining lease periods, even if payments are not made on such a basis.

Trademarks

Purchased trademarks are classified as an asset at cost on the balance sheet and amortised on a straight-line basis over their useful economic lives, up to a maximum of 10 years.

Tangible fixed assets

Tangible fixed assets are included at cost, less accumulated depreciation. Depreciation is provided on assets when they are brought into use and is charged on a straight-line basis over the following periods:

Leasehold property	–	over the period of the lease
Leasehold improvements	–	over the shorter of the period of the lease and 25 years
Plant and equipment	–	4 years
Fixtures, fittings and equipment	–	10 years

Investments

Subsidiaries

In the company's financial statements, investments in subsidiary undertakings are stated at cost less any provision for impairment in value.

Trade investments

Trade investments are stated at cost less any provision for impairment in value.

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

1. Significant Accounting policies (continued)

Stocks

Raw materials and consumables are stated at the lower of cost and net realisable value on a first-in, first-out basis. Crockery, linen and staff uniforms (included in other stock) are accounted for on a renewals basis. There are no material differences between the recorded book values and replacement cost.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and debit and credit card payments received within 48 working hours. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Creditors

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Finance costs

Finance costs are charged to the Consolidated Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Leased assets

Rentals paid under operating leases are charged to the Consolidated Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Turnover

Group turnover comprises the value of sales of goods and services (excluding Value Added Tax) in the normal course of business. The turnover of the restaurants excludes the staff discretionary service charge which is independently collected and distributed by a Tronc committee at each restaurant. Turnover is recognised as goods and services are delivered. Turnover for the hotel is recognised when earned when rooms are occupied and food and beverages sold.

Foreign currency

Company

Transactions in foreign currencies are translated into sterling at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the rates prevailing at the balance sheet date. Resulting exchange gains or losses are taken to the profit and loss account.

Group

The profit and loss accounts of foreign subsidiary undertakings are translated into sterling at the average rate for the year. Assets and liabilities denominated in foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences arising on retranslation of net assets are taken

Panther Partners Limited

Notes to the financial statements (continued) **For the year ended 31 March 2019**

directly to reserves. All other translation differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against Group equity investments in foreign entities, which are taken directly to reserves, together with the exchange differences on the net investment in these entities.

Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date and will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pension costs and other post-retirement benefits

The company does not operate its own pension scheme. The company makes contributions to certain senior employees' personal pension schemes, which are charged to the profit and loss account as they fall due. The Group operates a defined contribution scheme. The assets of the plan attributable to individuals participating in the plan are independently administered and managed by The People's Pension. The amounts charged against profit represent the contributions payable to the scheme in respect of the accounting year.

Financial Instruments

The group and company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangement of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity instruments are classified according to the substance of the financial instrument's contractual obligations rather than the financial instruments legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

Reserves

The group and company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued
- The share premium account includes the premium on issue of equity shares, net of any issue costs
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustment

Prior year adjustments

- **Panther Partners Limited consolidated financial statements**

Investor loan balances

The investor loan balances have been restated to reflect legal fees which should have been borne by the note holders. Total adjustment in relation to prior years for the loan notes totalled £818,000 with £730,000 relating to the year ended 31st March 2017 and £88,000 relating to the year ended 31st March 2018. In relation to the same transaction, prepayments were reduced by £160,000 in the year to 31st March 2018 to reflect fees which should have been borne by the note holders. This affected both the Group and the Company.

Rebate income

Rebate income was reduced by £144,000 in the prior year to correct the related accrued income balance. Separately, rebate income has now been adjusted to be included as a credit to Cost of Sales rather than Turnover. The adjustment for this is £3,716,000 in the current year and £3,818,000 in the prior year.

Cashflow statement

The cashflow statement in the prior year incorrectly omitted overdraft balances from the total cash and cash equivalents balance. The cashflow statement has been restated to reflect the actual cashflows in the period.

Lease incentives - reclassification

Lease incentives creditors greater than 1 year have now been split out to reflect this on the balance sheet.

Prior year adjustment - Panther Partners Limited company financial statements

In addition to the Investor loan balance adjustment noted above, the Company balance sheet has been adjusted to reflect a corporation tax credit to the Profit and loss that was not put through for £347,000, with the corresponding entry posted to the intercompany balance.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty - impairment of fixed assets and goodwill

Determining whether fixed assets and goodwill are impaired requires an estimation of the value in use of the cash-generating units to which fixed assets and goodwill have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and, where it is a component of a larger cash generating unit, the expected future performance of that unit, and a suitable discount rate in order to calculate present value. The carrying amount of the fixed assets at the balance sheet date was £64,160,000 (2018: £54,362,000). The carrying amount of goodwill at the balance sheet date was £18,739,000 (2018: £23,320,000). During the year impairment of Intangible fixed assets and goodwill totalled £1,092,000 (2018: £1,757,000).

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

3. Turnover

Turnover and loss before tax are derived solely from the operation of restaurants and a hotel. An analysis of turnover by geographic market is given below:

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
UK – restaurants	115,868	103,060
UK - hotel	13,020	12,462
International - restaurants	16,742	12,748
	<u>145,630</u>	<u>128,270</u>

Share of joint venture turnover (included above) in the UK and other was £938,000 (2018: £1,394,000).

4. Operating profit

Operating profit is stated after charging/(crediting):

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Depreciation – of tangible fixed assets	5,929	4,461
Amortisation – intangible fixed assets	1,749	1,750
Operating leases – land and buildings	13,080	12,161
– sublet property income	(383)	(977)
Pre-opening costs	2,532	2,069
Impairment of fixed assets	-	1,220
Impairment of goodwill	1,092	537
	<u>1,092</u>	<u>537</u>

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
<i>Auditor's remuneration</i>		
Fees payable to the Group's auditor for the audit of the Group and subsidiaries' annual financial statements	150	165
Fees payable to the Group's auditor for non-audit services	10	5
	<u>10</u>	<u>5</u>

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

5. Directors' remuneration

The remuneration in respect of the directors of the company was as follows:

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Emoluments	806	1,240
Pension contributions	0	11
	<u>806</u>	<u>1,251</u>

The remuneration in respect of the highest paid director was as follows:

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Emoluments	442	446
	<u>442</u>	<u>446</u>

The number of directors accruing benefits under the defined contribution pension scheme is 0 (2018: 2).

An unsecured loan, made to a director, was outstanding during the year. The amount of the liability including interest to the Company at the beginning of the year was £150,000, the maximum during the year was £150,000 and at the end of the year was £150,000. Interest charged during the year amounted to £nil (2018: £nil). Loan repayments of £nil (2018: £5,000) were made in the current year.

6. Staff costs

Staff costs (including executive directors) consist of:

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Wages and salaries	45,043	42,252
Social security costs	4,061	3,667
Pension costs	629	349
	<u>49,733</u>	<u>46,268</u>

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

6. Staff costs (continued)

The average full-time equivalent number of persons employed by the Group during the year was as follows:

	2019 No.	2018 No.
Restaurants	2,128	1,976
Administrative	89	79
	<u>2,217</u>	<u>2,055</u>

The company employed no staff during the year.

7. Interest payable and similar charges

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Bank interest payable and similar charges	2,209	1,831
Interest on loan notes	4,898	4,320
Amortisation of issue costs	317	373
	<u>7,424</u>	<u>6,524</u>

8. Exceptional items

Net exceptional income of £3,697,000 primarily relates to the sale of the sites at Royal Exchange, Kensington Place and Fish Shop whereby all costs associated with the closures have been offset against the income received. The sites were close to the expiry of their leases and the proceeds received on exit substantially exceeded the value of their earnings. This includes a further £296,000 of one-off costs incurred during the year.

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

9. Tax on loss on ordinary activities

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Current tax:		
UK corporation tax	1,638	338
Adjustments in respect of previous periods	(454)	35
Total current tax (note 9(b))	1,184	373
Deferred tax:		
Origination and reversal of timing differences	(13)	(403)
Adjustments in respect of previous periods	123	268
Total deferred tax	110	(135)
Tax charge on loss on ordinary activities	1,294	238

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year varies from the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are reconciled below:

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Loss on ordinary activities before tax	(2,193)	(5,767)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(417)	(1,096)
Timing differences	2,042	1,003
Adjustments in respect of prior periods	(331)	331
Tax over/(under) provided in previous periods	-	-
Total current tax (note 9(a))	1,294	238

9. Tax on loss on ordinary activities (continued)

(c) Factors that may affect future tax charges

The Group has tax losses arising in France of €6,400,000 (2018: €5,962,000), which are available for offset against future taxable profits of certain of the Group's French subsidiaries to a maximum of ten years from the date of being incurred. The tax losses have not been recognised in the financial statements as deferred tax assets as the directors do not consider that there is sufficient evidence that such an asset would be recoverable in the foreseeable future.

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

The losses incurred in France give rise to a tax credit of 33% of those losses as the rate of corporation tax applied in France is higher than that in the UK.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries and joint ventures. As the earnings are continually reinvested by the Group, no tax is expected to be payable on them in the foreseeable future.

There are unprovided deferred tax assets of £298,000 (2018: £298,000) relating to losses carried forward and depreciation in excess of capital allowances. The amount has not been recognised as the directors do not believe there is sufficient certainty that the asset will be recovered.

10. Intangible assets

Group

The net book value of intangible fixed assets comprises:

	Leasehold intangibles £'000	Goodwill £'000	Trademarks £'000	Total £'000
Cost				
At 1 April 2018	3,733	31,500	999	36,232
Acquired during the year	-	-	-	-
At 31 March 2019	3,733	31,500	999	36,232
Accumulated amortisation				
At 1 April 2018	525	8,180	371	9,076
Provided during the year	105	1,572	72	1,749
Disposals	-	1,917	-	1,917
Impairments	-	1,092	-	1,092
At 31 March 2018	630	12,761	443	13,834
Net book value				
At 31 March 2019	3,103	18,739	556	22,398
At 31 March 2018	3,208	23,320	628	27,156

The disposals figure above of £1,917,000 is in relation to The Royal Exchange and the Fish Shop which has been netted off against the proceeds in the Profit and Loss within exceptional costs.

—Goodwill acquired prior to the adoption of FRS 102 is being amortised over its useful economic life of 20 years. Any goodwill arising after the adoption of FRS 102 is being amortised over 10 years.

—Trademarks acquired prior to the adoption of FRS 102 are being amortised over their useful economic lives of 20 years. Any trademarks acquired after the adoption of FRS 102 are being amortised over 10 years. Leasehold intangibles are being amortised over the remaining lease periods.

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

11. Tangible fixed assets

The net book value of tangible fixed assets of the Group comprises:

	Leasehold property and improve- ments £'000	Fixtures, fittings and equipment £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 April 2018	43,267	13,716	7,430	64,413
Additions	10,876	4,703	602	16,181
Transfers	-	(54)	(21)	(75)
Disposals	(1,906)	(509)	(258)	(2,673)
Exchange gain	783	40	67	890
At 31 March 2019	53,020	17,896	7,820	78,736
Accumulated depreciation				
At 1 April 2018	4,274	2,655	3,122	10,051
Provided during the year	3,349	1,670	910	5,929
Transfers	-	(54)	(21)	(75)
Disposals	(1,540)	(218)	(137)	(1,895)
Exchange gain	395	104	67	566
At 31 March 2019	6,478	4,157	3,941	14,576
Net book value				
At 31 March 2019	46,542	13,739	3,879	64,160
At 31 March 2018	38,993	11,061	4,308	54,362

The Company holds no fixed assets (2018: £nil).

12. Investments in subsidiaries and joint ventures

a) Group

(i) Investment in joint ventures

	Book value and fair value to Group £'000
At 1 April 2018	0
Share of loss in the year	-
Dividends received	-
At 31 March 2019	-

50% of the share capital of The Modern Pantry Limited, a company registered in the UK, is held by a subsidiary company, CGL Restaurant Holdings Limited. The purpose of the joint venture is the operation of one restaurant in London (2018: one restaurants).

The Group's share of its joint ventures is further broken down on the following page:

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

12. Investments in subsidiaries and joint ventures (continued)

b) Group

(i) Investment in joint ventures

	2019 £'000	2018 £'000
Share of fixed assets	-	-
Share of current assets	-	-
Share of liabilities due within one year	-	-
Share of liabilities due after one year	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The JV is in a net liability position in the current year and therefore the Group has taken its investment value to £nil (2018: £nil).

c) Company

	Subsidiary undertakings £'000	Total £'000
Cost		
At 1 April 2018 and 31 March 2019	<u>17,895</u>	<u>17,895</u>
Impairment		
At 1 April 2018 and 31 March 2019	<u>-</u>	<u>-</u>
Net book value		
At 31 March 2019	<u>17,895</u>	<u>17,895</u>
At 31 March 2018	<u>17,895</u>	<u>17,895</u>

Details of the investments in which the Group or the company holds more than 10% of the nominal value of any class of share capital are shown on the following page:

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

12. Investments in subsidiaries and joint ventures (continued)

c) Company (continued)

	Country of registration (or incorporation) and operation	Holding	Proportion of voting rights and shares held	Nature of Business
All held by the company unless indicated:				
CGL Restaurant Holdings Limited	∞	Ordinary shares	100%	Holding Co
The German Gymnasium Limited	∞	Ordinary shares	100%	Restaurant
D&D London Limited	∞	Ordinary shares	100%*	M'gmt Co
Quaglino's Restaurant Limited	∞	Ordinary shares	100%*	Restaurant
Blueprint Café Limited	∞	Ordinary shares	95%*	Restaurant
Le Pont de la Tour Limited	∞	Ordinary shares	100%*	Restaurant
The Butlers Wharf Chop-House Limited	∞	Ordinary shares	100%*	Restaurant
100 Wardour Limited	∞	Ordinary shares	100%*	Restaurant
The Bluebird Store Limited	∞	Ordinary shares	100%*	Restaurant
Orrery Restaurant Limited	∞	Ordinary shares	100%*	Restaurant
Coq d'Argent Limited	∞	Ordinary shares	100%*	Restaurant
Sartoria Restaurant Limited	∞	Ordinary shares	100%*	Restaurant
Skylon Restaurant Limited	∞	Ordinary shares	100%*	Restaurant
Plateau Restaurant Limited	∞	Ordinary shares	100%*	Restaurant
Alcazar (Paris) Limited	∞	Ordinary shares	95%*	Restaurant
Alcazar (France) Limited	∞	Ordinary shares	95%*	Restaurant
Atlantic Blue Compagnie SNC	α	Partnership shares	100%*	Restaurant
Guastavino's Inc	β	Ordinary shares	100%*	Restaurant
Ocean Drive Compagnie SASU	α	Partnership shares	100%*	Nightclub
Image Restaurants Limited	∞	Ordinary shares	100%*	Dormant
Moving Image Restaurants Limited	∞	Ordinary shares	100%*	Restaurant
Place Restaurants Limited	∞	Ordinary shares	100%*	Restaurant
Mirror Image Restaurants Limited	∞	Ordinary shares	100%*	Dormant
The Modern Pantry Limited	∞	Ordinary shares	50%*	Restaurant
Kuala Lumpur Quest Sdn Bhd	**	Ordinary shares	50%**	Dormant
South Place Hotel Limited	∞	Ordinary shares	100%*	Hotel
D&D Leeds Limited	∞	Ordinary shares	100%*	Restaurant
Old Bengal Warehouse Limited	∞	Ordinary shares	100%*	Restaurant
D&D Nova Limited	∞	Ordinary shares	100%	Restaurant
Madison Restaurant Limited	∞	Ordinary shares	100%	Restaurant
Alexander & Bjorck Limited	∞	Ordinary shares	100%*	Events
D&D Battersea PS Limited	∞	Ordinary shares	100%	Restaurant
D&D Manchester Limited	∞	Ordinary shares	100%	Restaurant
D&D Victoria Gate Limited	∞	Ordinary shares	100%	Dormant
D&D Battersea Limited	∞	Ordinary shares	100%	Dormant
D&D FS Limited	∞	Ordinary shares	100%*	Restaurant
D&D Management Limited	∞	Ordinary shares	100%*	M'gmt Co
D&D Time Warner LLC	β	Ordinary shares	100%*	Restaurant
D&D Hudson Yards LLC	β	Ordinary shares	100%*	Restaurant
D&D Bristol Limited	∞	Ordinary shares	100%*	Restaurant
D&D Workrooms Limited	∞	Ordinary shares	100%*	Dormant

* held by a subsidiary undertaking.

** investment in Kuala Lumpur Quest Sdn Bhd has been fully provided for.

∞ trading addresses of these businesses are 16 Kirby Street, London, EC1N 8TS, United Kingdom.

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

α trading address of this business is Alcazar, 62 rue Mazarine, 75006 Paris

β trading address of this business is 409 East 59th Street, New York NY 10022

13. Stock

	2019 £'000	2018 £'000
Raw materials and consumables	1,939	1,902
Crockery, linen and staff uniforms	3,148	2,862
	<u>5,087</u>	<u>4,764</u>

There is no material difference between the carrying value and the replacement value of stocks.

14. Debtors

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade debtors	3,138	3,904	-	-
Amounts owed by Group undertakings	-	-	57,485	52,856
Other debtors	1,198	1,088	6	20
Prepayments and accrued income	13,069	7,506	-	-
Deferred tax asset	-	-	29	203
	<u>17,405</u>	<u>12,498</u>	<u>57,250</u>	<u>53,079</u>

Included in the above are amounts owed by subsidiary undertakings to the Company totalling £57,485,000 (2018: £52,856,000).

15. Creditors: amounts falling due within one year

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bank loans and overdrafts	625	1,290	-	1,201
Trade creditors	20,366	14,949	60	6
Amounts owed to subsidiary undertakings	-	-	12,111	2,255
Corporation tax	1,610	274	-	-
Other taxation and social security	3,838	-	-	-
Other creditors	2,731	2,404	-	20
Accruals and deferred income	11,562	10,756	-	64
	<u>40,732</u>	<u>32,494</u>	<u>12,171</u>	<u>3,546</u>

Current year bank loans and overdrafts reflects the Group's utilisation of its overdraft facility as at 31 March 2019 of £625,000 (2018: £1,290,000).

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

15. Creditors: amounts falling due within one year (continued)

The group operates an offset facility for its UK bank accounts held by HSBC in the UK. All balances are pooled and the net position is shown as the net cash or overdraft position at year end.

16. Creditors: amounts greater than one year

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bank loans and overdrafts	33,335	35,648	33,335	35,648
Investor loan notes	33,908	30,763	33,908	30,763
Management loan notes	1,909	1,749	1,909	1,749
PIK notes	13,208	11,643	13,208	11,643
Other creditors	9,587	7,195	-	-
	<u>91,947</u>	<u>86,998</u>	<u>82,360</u>	<u>79,803</u>

During the current year the business made a payment of £2,594,000 split pro rata against the Senior Debt and Capex facilities. This was following the sale of the site at the Royal exchange.

Investor loan notes comprise £8,900,000 (2018: £8,900,000) of subordinated secured loan notes and £13,500,000 (2018: £13,500,000) of subordinated unsecured loan notes, which expire on 12 October 2023. Interest accrues on these loan notes at 10% (2018: 10%).

Management loan notes comprise £100,000 (2018: £100,000) of subordinated secured loan notes and £600,000 (2018: £600,000) of subordinated unsecured loan notes, which expire on 12 October 2023. Interest accrues on these loan notes at 10% (2018: 10%). no interest was paid during the year ended 31 March 2019 (2018: £nil).

PIK notes continue to accrue interest at 12% (2018: 12%) and these expire on 30 December 2022.

Other creditors consist of landlord contribution costs and lease incentives. Last year, all of these costs were included within creditors less than 1 year. As such, last years numbers have been restated.

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Notes to the financial statements (continued) For the year ended 31 March 2019

16. Creditors: amounts greater than one year (continued)

Bank loans

The bank loans are repayable as follows:

	Senior B		Capex Facility		Total	
	2019	2018	2019	2018	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Within two to five years	30,465	32,773	3,806	4,075	34,271	36,848
More than five years	-	-	-	-	-	-
At 1 April 2018	30,465	32,773	-	-	34,271	32,773
Deferred issue costs	(936)	(1,200)	-	-	(936)	(1,200)
At 31 March 2019	29,529	31,573	3,806	4,075	33,335	35,648

The loans are secured by fixed charges over the Company's and its subsidiaries' assets.

The terms of the Senior B debt are £32,400,000 repayable on 11 October 2022; interest is calculated at LIBOR +4% per annum and is payable in full. A Capex Facility of £10,000,000 was also made available as part of the refinancing, of which £3,715,000 was outstanding at the balance sheet date (2018: £4,000,000). The terms of the Capex Facility require any drawn balances to be repaid in 6-monthly instalments of 20% starting on 30 September 2020, ending 11 October 2023; interest is calculated at LIBOR +4% and is payable in full.

During the year, as part of the agreement following the closure of the Royal Exchange, the company paid back £2,594,000 of its bank debt with £2,309,000 attributed to the Senior Debt facility and £285,000 attributed to the Capex Facility.

17. Provisions for liabilities and charges

	2019	2018
	£'000	£'000
Deferred tax (below)	1,703	1,569
Other provisions	-	-
	1,703	1,569

	Deferred tax £'000
Group	
At 1 April 2018	1,569
Deferred tax charge in Group profit and loss account	11
Adjustments in respect of previous years	123
At 31 March 2019	1,703

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

The deferred tax included in the balance sheet is as follows:

17. Provisions for liabilities and charges (continued)

	2019 £'000	2018 £'000
Accelerated capital allowances	1,977	1,986
Losses carried forward	(66)	(12)
Other timing differences	(208)	(405)
Provision for deferred tax	<u>1,703</u>	<u>1,569</u>

	Other provisions £'000
Group	
At 1 April 2018	-
Utilised in the year	-
At 31 March 2019	<u>-</u>

18. Derivatives not included at fair value

The Group has an interest rate cap which is not included at fair value in the accounts.

	Principal £'000	2019 £'000	2018 £'000
Interest rate swap contracts		<u>2</u>	<u>6</u>

The Group uses the derivatives to manage its exposure to interest rate movements on its bank borrowings. The fair values are based on market values of equivalent instruments at the balance sheet date.

The interest rate cap contracts with nominal value of £25,900,000 (2018: £25,900,000) have fixed interest payments at an average rate of 0.05% (2018: 0.05%) for periods up until 2019 and have floating interest receipts of LIBOR plus 2% (2018: Libor plus 2%).

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Notes to the financial statements (continued) For the year ended 31 March 2019

19. Issued share capital

	2019 (£'000)	2018 (£'000)
Allotted, called up and fully paid		
8,949,636 A1 shares of £0.002 each	18	18
11,050,364 A2 shares of £0.002 each	22	22
2,028,985 'B' ordinary shares of £0.01 each	20	20
6,825,325 'C' ordinary shares of £0.01 each	69	69
9,516 'D' ordinary shares of £1.00 each	10	10
	<u>139</u>	<u>139</u>
Share premium account	<u>160</u>	<u>160</u>

All shares rank pari passu in all respects except the 'C' and 'D' ordinary shares which have certain ratchet rights applied to them such that if a minimum hurdle is not met on a sale, listing or refinancing of the business, then some of the economic value accruing on the C ordinary shares will flow to the A ordinary shares until the hurdle is reached. At the Balance Sheet date, there were 68,046 (2018: 68,046) unallocated 'B' shares with a nominal value of £680 (2018: £680) and 801,509 (2018: 801,509) unallocated 'C' shares with a nominal value of £8,015 (2018: £8,015).

20. Reconciliation of operating profit to net cash inflow from operating activities

	2019 £'000	2018 £'000
(Loss) on ordinary activities before taxation	(2,193)	(5,767)
Amortisation of intangible fixed assets	1,749	1,750
Impairment of goodwill	1,092	537
Impairment of fixed assets	-	1,220
Profit on disposal of sites	(3,697)	-
Depreciation	5,929	4,461
Interest expense	7,424	6,524
(Increase) in stocks	(323)	(521)
(Increase) in debtors	(4,907)	(2,619)
Increase in creditors and provisions	9,991	7,831
Exchange loss (gain)	105	(200)
Net cash inflow from operating activities	<u>15,170</u>	<u>13,216</u>

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

21. Operating lease commitments

The Group leases certain land and buildings. The rents payable under these leases are subject to review at intervals specified in the lease. The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £'000	2018 £'000
– within 1 year	13,974	12,102
– in 2 to 5 years	56,994	51,165
– after more than 5 years	177,694	161,869
	<u>248,662</u>	<u>225,136</u>

The group has sublet certain property on short and long leases to third parties. The total future minimum lease income under non-cancellable operating leases are as follows:

	2019 £'000	2018 £'000
– within 1 year	500	500
– in 2 to 5 years	2,850	2,850
– after more than 5 years	6,004	6,754
	<u>9,354</u>	<u>10,104</u>

The company had no commitments under non – cancellable operating leases at the balance sheet date.

22. Contingent liabilities

The company, together with its fellow subsidiaries, were party to an intercompany guarantee dated 11 October 2016 in favour of Santander UK Plc (as security agent for HSBC Bank Plc and Santander UK Plc) given as security for debt facilities provided to the parent undertaking and its subsidiaries. As at the balance sheet date the net amount due under these facilities was £34,270,000 (2018: £36,848,000).

The terms of the purchase of the business by Panther Partners Limited provides for further consideration of £3,000,000 (2018: £3,000,000) to be paid to the vendor shareholders in the event of a subsequent sale of the business resulting in the majority shareholder achieving a return in excess of a specified multiple.

In the event that the business were sold at the balance sheet date at its current market value there would be no payment triggered in the opinion of the Directors. The liability is therefore contingent and not provided for at the Balance Sheet date.

23. Related party transactions

Loan to director

An unsecured loan, made to a director, was outstanding during the year. The amount of the liability including interest to the Company at the beginning of the year was £150,000, the maximum during the year was £150,000 and at the end of the year was £150,000. Interest charged during the year amounted to £nil (2018: £nil). Loan repayments of £nil (2018: £5,000) were made in the current year.

Panther Partners Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

23. Related party transactions (continued)

Other related party transactions

The total remuneration (disclosed in note 6) for key management for the year totalled £806,000 (2018: £1,251,000).

The company is controlled by the executive management team, with its share capital owned by LDC II LP 68% (2018: 68%), LDC Parallel II LP 1% (2018: 1%), management and employees of the company 28% (2018: 28%) and unallocated share capital 3% (2018: 3%).

During the year the company was charged monitoring fees by LDC of £100,000 (2018: £100,000) and the amount outstanding at the balance sheet date was £41,665 (2018: £8,333).

Loan notes

Loan notes due to LDC of £33,908,000 (2018: 30,763,000) were outstanding at the year end. Loan notes due to management of £1,909,000 (2018: 1,749,000) were outstanding at the year end. More information provided in note 16.

24. Post balance sheet events

There have been no significant post balance sheet events.