Company Number: 08729297

HELLESPONT HOLDINGS LIMITED

Annual Report and Financial Statements
For the 52 week period ended
24 June 2018

HELLESPONT HOLDINGS LIMITED

Company Information

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HELLESPONT HOLDINGS LIMITED

Company Information

Directors	M Moretti L De Boer L Contento
Registered Office	1st Floor 14-15 Berners Street London W1T 3LJ
Company Number	08729297
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Portland Building 25 High Street Crawley West Sussex RH10 1BG

HELLESPONT HOLDINGS LIMITED

Strategic Report

The directors present their strategic report on Hellespont Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the 52 week period ended 24 June 2018.

Business review

The principal activity of the Group is the operation of Byron hamburger restaurants through its subsidiary Byron Hamburgers Limited. The principal activity of the Company in the year was to act as the Group's holding Company.

The period ended 24 June 2018 was a pivotal year for the Group. In July 2017, with a continued decline in like for like sales, the Group commenced a review of its options for underperforming restaurants and sourcing new investment for the business. As a result, six offers were received for the business. Five of the six offers received for the operating business were conditional on the approval of a Company Voluntary Arrangement ("CVA") by the Byron Hamburgers' unsecured creditors. The directors considered the best offer for Byron Hamburgers was a proposal submitted and arranged by Three Hills Capital Partners, being the investment manager of one of the Group's existing shareholders, TH Lord S.à r.l.

Following a formal CVA process (voted through on 31 January 2018), agreement was reached with Byron Hamburgers creditors to exit the leases of 19 restaurants and reduce the rent on 5 restaurants. Landlords were given the right to exit any of the compromised leases giving 45 days' notice. The CVA process ran from 1 March 2018 for a period of six months and was completed on 1 September 2018.

At the date of approval of these financial statements, all 19 restaurants have been closed, leaving the Group a total of 53 "proper hamburger" restaurants in the UK. For the remaining estate the Group continues to focus on the development and expansion of the Byron brand. The Group is focused on optimising the options available to it to maximise profitability including lease negotiations, new openings and implementing advanced technology such as labour optimisation tools.

Industry pressures

The Group has continued to face significant external cost pressures during 2018 which have impacted profitability. These pressures include, national living and minimal wages increases, the apprenticeship levy, increased business rates, increased energy costs and increased purchasing costs due to inflationary pressures coupled with devaluation of the pound. The Group is actively working to mitigate these cost pressures through leveraging technology such as labour scheduling.

The casual dining market is challenging for all operators, with a 27% increase in the number of branded restaurants over the past five years. This has inevitably resulted in lower like-for-like sales across the market. During the same period the market has rapidly transformed, and consumer focus has evolved. Consumers are focused on healthy alternatives, quick convenient delivery options and a proper dining experience. These all create challenges for long established multi-site operators.

In response, the Group are focused on ensuring Byron is competitively differentiated, providing convenient delivery options through partnering with Deliveroo, harnessing the considerable brand value that Byron has among consumers and considering refurbishment programs and new openings. However, given the market conditions, we continue to be extremely disciplined in how capital is allocated.

Restructuring

In February 2018, an agreement was reached for the financial restructuring of the Group which included new investment of £34.5m by way of subscription for new unsecured loan notes issued by the Company's trading subsidiary, Byron Hamburgers Limited. Of this amount, £25m was used to repay external bank lenders as a full and final settlement of the outstanding balance of approximately £46m and the balance (i.e. £9.5m less certain legal fees associated with the financial restructuring) was immediately advanced to the Group to be applied for general corporate purposes with no contractual restrictions on how the Group can apply these monies. Th restructure changed the proportion of ordinary A shares held by the shareholders so that funds managed by Three Hills Capital Partners now hold the majority of the shares in the Group.

The Group was subject to further restructuring in January 2019. Existing loan note holders exchanged £27.9m of loan notes for 0.01p ordinary A shares in Byron Hamburgers Limited. As part of this restructuring new equity and loans were issued resulting in a further cash injection of £10.2 million.

Following the restructuring described in note 22, the company no longer controls Byron Hamburgers Limited. The directors have therefore considered the future prospects of the company which includes the potential to facilitate an orderly wind up of the companies operation in the foreseeable future.

Future developments and prospects

In December 2018 it was announced that Simon Cope had stepped down from his role as CEO. Following an extensive search, Simon Wilkinson was appointed CEO effective May 2019. Simon previously held the positions of Managing Director of Strategic Options at the Casual Dining Group and CEO of La Tasca & La Vina Restaurants. He has extensive experience of managing companies in the retail and hospitality sectors and a wealth of experience in challenging consumer faced businesses.

The Group have also added to the strength of the senior leadership team and in order to successfully land a new innovated menu, Sophie Michell was appointed as Executive Chef. Sophie has over 23 years' experience in the industry and she brings a wealth of knowledge to Byron.

A significant amount of strategic research has been carried out to identify key consumer needs in the premium burger market and the most effective ways for the business to meet these needs. The Group intends to address the difficult market conditions in the sector through the delivery of a comprehensive operational turnaround plan containing the following initiatives:

- investment in remaining restaurants to reposition the brand will begin in July 2019;
- a complete overhaul of the offer, through design, menu, service and experience;
- a review of the Company's current supply chain practices for both in house and outsourced products to reduce the cost base;
- new tools to support labour management and reduce costs will be introduced; and
- takeaway and delivery offerings will receive additional marketing support to drive a greater share of the growing demand

The business is turning its attention to achieving operational excellence, evolving the Byron brand and continuing its journey to turn the UK into a nation of "proper hamburger" lovers by innovating in its current restaurants as well as opening further restaurants across the UK.

Trading results

Like-for-like sales declined by 4.7%, with revenue down by 5.9% to £82.8m (2017: £88.0m) driven, mainly, by the closing of 16 sites during the financial year across the estate from the CVA.

With declining like-for-like sales and the well-known sector specific inflationary cost pressures, the Group suffered a post-tax loss of £16.8m in the financial period (2017: £122.4m) although net current liabilities decreased to £5.6m (2017: £46.4m). However, this loss contains a number of exceptional or one-off items. Adjusted EBITDA decreased to a profit of £0.9m from a profit of £4.8m in the prior period. Adjusted EBITDA is defined as Earnings Before Interest, tax, Depreciation and Amortisation and Exceptional Items.

A reconciliation back to adjusted EBITDA is as follows:

	2018 £m	2017 £m
Operating loss	(9.8)	(109.4)
Exceptional Costs	6.0	105.2
Amortisation of Goodwill (non-cash)	-	3.2
Depreciation of Fixed Assets (non-cash)	4.3	5.8
Adjusted EBITDA	**0.5**	**4.8**

The performance of the Group is measured through the use of three performance indicators being sales growth versus last year, profitability versus last year and number of restaurants.

	2018	2017
Sales (Decline)/Growth to prior period	**(£5.1m)**	£7.6m
Sales (Decline)/Growth %	**(5.9%)**	9.4%
Adjusted EBITDA	**£0.5m**	£4.8m
Number of restaurants at period end	**55**	71

Sales decline of 5.8% is down on 9.4% growth in the prior year reflective of 16 site closures during the year. Like-for-like sales declined by 4.7%, with like-for-like Deliveroo sales up by 14%. Notwithstanding restaurant closures during the year, the like-for-like performance across the existing estate is an indication of the increasing intensity of competition, increased focus on convenient at-home dining and difficult economic conditions facing the casual dining sector.

These tough market conditions have pushed the majority of the industry towards sales discounting to try to drive covers with the knock-on effect of reduced margins. The growth of our delivery service, whilst generating incremental sales, has also put pressure on bottom line growth.

Having the majority of our estate based in London has meant that the increase in business rates has been particularly severe for a number of our restaurants. Coupled with national living wage and rent increases, this has added to the headwinds facing EBITDA generation across the estate. This, alongside the challenging trading and numbers set out above, has resulted in a further impairment on fixed assets of £11.8m and an onerous lease charge of £8.7m.

At the period end, the Group has £4.5m cash at bank and in hand (2017: £9.2m) and no external debt compared to £44.7m on 25 June 2017.

The carrying value of property, plant and equipment at the period end was £10.3m compared to £25.4m at 25 June 2017.

Risks and uncertainties

Competition
The UK casual dining market, and in particular the premium hamburger segment in which the Company operates, is becoming increasingly competitive through the introduction of new entrants as well as the expansion of established players. The directors believe that the quality of Byron's offering sets it apart from the competition and will ensure that with continued focus the Company will perform well and meet its growth objectives.

Food safety
The Company takes the safety of the food served in its restaurants very seriously. Numerous processes are in place throughout the supply chain to control risk and suppliers are regularly audited to ensure best practice. Individual restaurants are audited quarterly by an independent food safety consultancy with appropriate incentives in place to ensure that food safety standards remain at industry leading levels.

Employee recruitment and retention
One of Byron's core strengths is the quality and individuality of the people in its teams. The directors have established rigorous processes to maximise the success of our recruitment programme.

It is similarly critical that the Company retains its best people. This risk is mitigated through an effective talent management programme, including comprehensive training, appraisal and development at all levels of the business, coupled with incentive schemes which reward outstanding performance across a number of financial and non-financial measures.

Supply chain
The directors are proud of the quality of food and drink that is served in Byron restaurants. The Company works closely with its suppliers and has numerous measures in place to ensure that this quality is maintained. Supply chain solutions are regularly reviewed to ensure that they are sufficiently robust to support the growth plans of the Company.

Legal and compliance
The restaurant industry is highly regulated in a number of areas including health and safety, food hygiene and employment law. The Company continues to monitor its legal and compliance obligations on an ongoing basis.

Approved by the Board on 30 July 2019 and signed on its behalf by:

L D Boer
Director
30 July 2019

Directors' Report

The directors present their annual report for the Group, together with their audited consolidated financial statements for the 52 week period ended 24 June 2018. The basis of preparation of the financial statements is set out in note 2 on page 16.

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

E Bellquist (resigned 5 February 2018)
S Boston (resigned 5 February 2018)
M Collins (resigned 5 February 2018)
G Ford (resigned 5 February 2018)
G Hutton (resigned 6 May 2019)
D Philips (resigned 5 February 2018)
M Moretti
S Cope (appointed 25 September 2017 and resigned 30 November 2018)
N Young (appointed 25 September 2017 and resigned 5 February 2018)
L De Boer (appointed 5 February 2018)
L Contento (appointed 5 February 2018)
H Colman (appointed 5 February 2018 and resigned 23 May 2019)
A Sirakanyan (appointed 7 March 2018 and resigned 29 April 2019)
S Tedeschi (appointed 7 March 2018 and resigned 9 May 2019)

Results and dividends
The Group's loss for the 52 week period amounted to £16.8m (52 weeks period ended 25 June 2017: £54.7m). The directors are unable to recommend the payment of a dividend for the Group or Company (2017: £Nil).

Future developments

A review of the Group's and Company's future developments is included in the Strategic Report.

Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, and price risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Group under guidance by the Board.

(a) Credit risk
The Group has no significant concentrations of credit risk. The nature of its operations results in a large and diverse customer base and a significant proportion of cash sales. The Group has policies that limit the amount of credit exposure to any financial institution.

(b) Liquidity risk
Since the financial restructure, the Group extinguished its external bank debt but remains vigilant in the face of continuing challenges in the sector and regularly stress-tests its cash flow forecasts to ensure any potential liquidity issues are identified and addressed proactively by the Directors.

(c) Price risk
The Group is exposed to price risk in respect of both direct and indirect purchases. The Group mitigates this risk by ensuring long-term contracts are agreed wherever possible and monitoring key markets for volatility in order to anticipate potential future price rises. The Group also reduces exposure to single suppliers wherever possible to minimise the impact of price risk. In addition, the vast majority of the Group's purchases are in sterling and as such are not exposed to foreign exchange risk.

The principal risk to which the Company is exposed is liquidity risk.

Liquidity risk arises as a result of the Company's shareholder loan notes due within one year. The Directors intend to waive the loan notes as part of a post year end wind up of the Company.

Directors' indemnities

Qualifying third party indemnity provisions as defined by the Companies Act 2006 were in force during the financial year and also at the date of approval of the financial statements for the benefit of directors.

The Group is committed to high standards of corporate governance appropriate for a mid-sized, private company and the Board is accountable to all of the Group's shareholders, including minority shareholdings for good corporate governance.

Employees

The Group encourage a work environment that is fair, open and communicative, with many benefits for the employees. Informal, frank and open dialogue is encouraged at all levels of the Group. The Group aims to keep the employees informed of any changes and progress with the business on a regular basis in an engaging way.

The employees have a performance review at least once a year, which includes consideration of skills development and career prospects. The Group aims to retain, develop and promote the best staff, offering a variety of training courses and development opportunities.

The Group have a diverse workforce and an equal opportunities policy in place. The Group aim to employ people who reflect the diverse nature of society and value people and their contribution irrespective of age, sex, disability, sexual orientation, race, colour, religion, marital status or ethnic origin.

The Group do not tolerate harassment or bullying in any shape or form. Procedures are in place to respond to accusations of workplace discrimination, harassment and victimisation. An effective employee grievance procedure is in operation, and the policy is properly communicated to our people.

Applications from disabled persons are given full and fair consideration providing the disability does not seriously affect the performance of their duties. Such persons, once employed, are given appropriate training and equal opportunities.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Provision of information to auditors

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

(1) so far as the director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
(2) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

Going concern

The Directors have assessed the ability of the Group and Company to continue as a going concern for a period of 12 months from the date of approving the financial statements and have considered the facts and circumstances during the period year and events since the balance sheet date, including budgets and forecasts for their Group for a period of 12 months from the date of approval of the financial statements. The Company, having sold the main trading company in the Group, Byron Hamburgers Limited, is therefore not considered to be a going concern in its own right as it is reliant on the cash flows of Byron Hamburgers Limited to continue in operation. The directors also have the intention of liquidating the company in the foreseeable future. The Company financial statements are therefore prepared on a basis other than a going concern

In order to assess the going concern assumption for the group, the Directors have reviewed the risks inherent in the business, notably liquidity and trading performance. The magnitude of the debt and the difficult trading conditions which the business faced during the financial period significantly increased the liquidity risk to the business. The external bank debt facilities were subject to financial covenants based on capital expenditure and required the maintenance of certain minimum ratios of EBITDA to interest payable and a maximum ratio of net debt to EBITDA. There was also a requirement that net operating cash flows are not less than the Group's cash cost of servicing the bank debt. Within the financial period, the Directors have carried out a financial restructuring of the Group's debt, which included repaying £25 million of the external bank debt as a full and final settlement of the outstanding balance. This alleviates the covenant risk as the Group has no external bank debt going forward.

As part of this restructuring the Group also received net investment of cash of £9.5 million (less fees) in February 2018 which was immediately advanced to the Group to be applied for general corporate purposes. A further net investment of cash of £10.2 million was received post year end in January and February 2019.

The decision to carry out a CVA process in February 2018 has allowed the Group to exit 16 leases within the financial period and reduce the rent on 5 sites. Following this agreement, the Directors have assessed the cash flow forecasts for a three year period based on the reduced estate and the cash investments of £9.5 million and £10.2 million received. The directors are planning to exit a small number of further sites in the foreseeable future which they anticipate will further improve the Groups performance, although none of these are legally binding at the date of approval of these financial statements.

The current economic conditions continue to create uncertainty over (a) the level of demand for the Group's products; and (b) the availability of liquidity for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible adverse changes in trading performance, show that the Group will be able to operate within the level of its current available funds. In addition to this, the directors have received written assurances from the Group's primary shareholder that it is their intention to provide further funds to the Group to fund capital expenditure and, if required, working capital requirements, within 12 months from the date of approval of these financial statements.

The directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements. The directors therefore continue to adopt the going concern basis in preparing its financial statements.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board on 30 July 2019 and signed on its behalf by:

L De Boer
Director

Independent auditors' report to the members of Hellespont Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Hellespont Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 24 June 2018 and of the group's loss and cash flows for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 24 June 2018; the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity, the Consolidated cash flow statement for the 52 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Emphasis of matter - company financial statements prepared on a basis other than going concern

In forming our opinion on the company financial statements, which is not modified, we draw attention to note 2 to the company financial statements which describes the directors' reasons why the company financial statements have been prepared on a basis other than going concern.

Conclusions relating to going concern – Group financial statements

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters in respect to the group financial statements

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Independent auditors' report to the members of Hellespont Holdings Limited

Reporting on other information

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

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

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 24 June 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Simon Bailey

Simon Bailey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
30 July 2019

Consolidated statement of comprehensive income

for the period ended 24 June 2018

	Note	52 weeks ended 24 June 2018	52 weeks ended 25 June 2017
Revenue	3	**82,817**	88,033
Cost of sales		**(78,984)**	(81,102)
Gross profit		**3,833**	6,931
Administrative expenses		**(13,675)**	(116,328)
Administrative expenses (excluding exceptional costs)		**(7,629)**	(11,139)
Operating exceptional costs	5	**(6,046)**	(105,189)
Operating loss	4	**(9,842)**	(109,397)
Finance costs	7	**(6,964)**	(12,954)
Loss on ordinary activities before taxation		**(16,806)**	(122,351)
Tax on loss on ordinary activities	8	**-**	210
Loss for the financial period		**(16,806)**	(122,141)
Other comprehensive income			
Other comprehensive income			-
Total comprehensive loss for the period		**(16,806)**	(122,141)

The results above all relate to continuing operations.

As permitted by Section 408 of the Companies Act 2006, a profit and loss account for Hellespont Holdings Limited has not been presented in these Financial Statements. For the 52 week period ended 24 June 2018 the Company made a loss of £4.0m (2017 loss of £1.7m).

Consolidated statement of financial position

as at 24 June 2018

	Note	24 June 2018	25 June 2017
		£000	£000
Fixed assets			
Property, plant and equipment	9	**10,308**	25,365
		10,308	25,365
Current assets			
Inventories	11	**505**	2,160
Trade and other receivables	12	**1,552**	1,360
Cash at bank and in hand		**4,494**	9,212
		6,551	12,732
Creditors: amounts falling due within one year	13	**(12,106)**	(59,090)
Net current liabilities		**(5,555)**	(46,358)
Total assets less current liabilities		**4,753**	(20,993)
Creditors: amounts falling due after more than one year	14	**(56,707)**	(77,448)
Provisions for liabilities	15	**(8,741)**	(2,002)
Net liabilities		**(60,695)**	(100,443)
Equity			
Called up share capital	16	**16**	-
Share premium account		**1,158**	55
Other reserve	16	**105,620**	50,185
Accumulated losses		**(167,489)**	(150,683)
Total shareholders' deficit		**(60,695)**	(100,443)

The financial statements on pages 11 to 29 were approved by the Board of Directors on 30 July 2019 and signed on its behalf by:

L De Boer
Director

Company registration number: 08729297

Company statement of financial position
as at 24 June 2018

	Note	24 June 2018 £000	25 June 2017 £000
Fixed assets			
Investments	10	-	1
		-	1
Current assets			
Investments	10	1	-
Cash at bank and in hand		2	2,929
		3	2,929
Creditors: amounts falling due within one year	13	(4,553)	(18)
Net current (liabilities)/assets		(4,550)	2,911
Total assets less current liabilities		(4,550)	2,912
Creditors: amounts falling due after more than one year	14	-	(4,548)
Net liabilities		(4,550)	(1,636)
Equity			
Called up share capital	16	16	-
Share premium account		1,158	55
Accumulated losses		(5,724)	(1,691)
Total shareholders' deficit		(4,550)	(1,636)

The financial statements on pages 11 to 29 were approved by the Board of Directors on 30 July 2019 and signed on its behalf by:

L De Boer
Director

Company registration number: 08729297

Consolidated statement of changes in equity

for the period ended 24 June 2018

	Called up share capital	Share premium account	Other reserve	Accumulated losses	Total shareholders' deficit
	£'000	£'000	£'000	£'000	£'000
Balance as at 26 June 2016	-	53	-	(28,542)	(28,489)
Loss for the financial period	-	-	-	(122,141)	(122,141)
Issue of shares	-	2	-	-	2
Capital contribution	-	-	50,185	-	50,185
Balance as at 25 June 2017	**-**	**55**	**50,185**	**(150,683)**	**(100,443)**
Loss for the financial period	-	-	-	(16,806)	(16,806)
Issue of shares	16	-	-	-	16
Capital contribution	-	-	55,435	-	55,435
Increase in share premium	-	1,103	-	-	1,103
Balance as at 24 June 2018	**16**	**1,158**	**105,620**	**(167,489)**	**(60,695)**

Company statement of changes in equity

for the period ended 24 June 2018

	Called up share capital	Share premium account	Other reserve	Accumulated losses	Total shareholders' deficit
	£'000	£'000	£'000	£'000	£'000
Balance as at 26 June 2016	-	53	-	(10)	43
Loss for the financial period	-	-	-	(1,681)	(1,681)
Issue of shares	-	2	-	-	2
Balance as at 25 June 2017	**-**	**55**	**-**	**(1,691)**	**(1,636)**
Loss for the financial period	-	-	-	(4,033)	(4,033)
Issue of shares	16	-	-	-	16
Increase in share premium	-	1,103	-	-	1,103
Balance as at 24 June 2018	**16**	**1,158**		**(5,724)**	**(4,550)**

Consolidated cash flow statement

for the period ended 24 June 2018

	52 weeks ended 24 June 2018 £'000	52 weeks ended 25 June 2017 £'000
Cash flows from operating activities		
Loss for the financial period (excluding other exceptional costs)	**(14,700)**	(118,504)
Cash movement on exceptional costs	**(2,106)**	(1,865)
Adjustments for:		
Depreciation and impairment of property, plant and equipment	**16,143**	55,591
Loss on disposal	**-**	9
Amortisation and impairment of goodwill	**-**	54,914
Finance costs	**6,964**	12,954
Taxation	**-**	(210)
Onerous lease provisions	**7,847**	-
Equipment inventory review	**1,270**	-
Refinancing of debt	**(19,861)**	-
	(4,443)	2,889
Decrease/ (increase) in inventories	**385**	(318)
(Increase)/ decrease in trade and other receivables	**(192)**	969
(Decrease) in trade and other payables (excluding exceptional costs)	**(7,361)**	(2,516)
	(11,611)	1,024
Interest paid	**(1,139)**	(3,158)
Tax received		-
Net cash (used in) operating activities	**(12,750)**	(2,134)
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(1,086)**	(9,568)
Net cash used in investing activities	**(1,086)**	(9,568)
Cash flows from financing activities		
Proceeds from loan agreements	**9,118**	19,205
Repayment of borrowings	**-**	(2,000)
Net cash from financing activities	**9,118**	17,205
Net movement in cash and cash equivalents	**4,718**	5,503
Cash and cash equivalents brought forward	**9,212**	3,709
Cash and cash equivalents carried forward	**4,494**	9,212

1 General information

The principal activity of Hellespont Holdings Limited ("Hellespont" and the "Company") and its subsidiaries (together, the "Group") is operating restaurants. The Company is limited by shares and incorporated and domiciled in the UK.

The consolidated financial information presented is in respect of the underlying business of Byron Hamburgers Limited ("Byron") together with the Group holding companies described in note 23 for the 52 week period ended 24 June 2018 and is prepared in accordance with FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and with the Companies Act 2006.

2 Accounting policies

Basis of preparation

The group financial statements have been prepared on a going concern basis and under the historical cost convention.

The company's UK subsidiaries listed below are exempt from the requirements to audit their accounts under section 479A of the Companies Act 2006:

- DMWSL 740 Limited – Company number 08674679
- DMWSL 741 Limited – Company number 08729281
- DMWSL 742 Limited – Company number 08729287

Under section 479A of the Companies Act 2006, Hellespont Holdings Limited, being the parent undertaking of these entities, has given a statutory guarantee of all the outstanding liabilities to which the companies are subject to as at 24 June 2018.

On 31 January 2019, the Company, and the wider Hellespont Holdings Group, underwent a financial restructuring, as further described in note 22. As part of this restructure the Company sold off its operating entity, Byron Hamburgers Limited. Since this transaction it has become the intention of the Director's to liquidate the Company. The Company financial statements have therefore been prepared on a basis other than going concern and under the historical cost convention. Reporting on the breakup basis entails reclassification of non-current assets and non-current liabilities to current assets and current liabilities in accordance with the Companies Act 2006 and UK GAAP. In light of this, the Directors have made the following adjustments in the financial statements:

- Shareholder loan notes have been reclassified as current liabilities
- Investment balance has been reclassified as current assets

No amendments have been made for the balance sheet as at 25 June 2017.

Going concern

The Company

The Directors have assessed the ability of the Group and Company to continue as a going concern for a period of 12 months from the date of approving the financial statements and have considered the facts and circumstances during the period year and events since the balance sheet date, including budgets and forecasts for their Group for a period of 12 months from the date of approval of the financial statements. The Company, having sold the main trading company in the Group, Byron Hamburgers Limited, is therefore not considered to be a going concern in its own right as it is reliant on the cash flows of Byron Hamburgers Limited to continue in operation. The directors also have the intention of liquidating the company in the foreseeable future. The Company financial statements are therefore prepared on a basis other than a going concern

The Group

The group incurred a loss before tax of £16.8m in the period as a result of difficult trading conditions and had net liabilities and net current liabilities of £60.7m and £5.6m respectively at the period end. In order to assess the going concern assumption, the Directors have reviewed the risks inherent in the business, notably liquidity and trading performance.

The magnitude of the debt and the difficult trading conditions which the business faced during the financial period significantly increased the liquidity risk to the business. The external bank debt facilities were subject to financial covenants based on capital expenditure and required the maintenance of certain minimum ratios of EBITDA to interest payable and a maximum ratio of net debt to EBITDA. There was also a requirement that net operating cash flows are not less than the Group's cash cost of servicing the bank debt. Within the financial period, the Directors have carried out a financial restructuring of the Group's debt, which included repaying £25 million of the external bank debt as a full and final settlement of the outstanding balance. This alleviates the covenant risk as the Group has no external bank debt going forward.

As part of this restructuring the Group also received net investment of cash of £9.5 million (less fees) in February 2018 which was immediately advanced to the Group to be applied for general corporate purposes. A further net investment of cash of £10.2 million was received post year end in January and February 2019.

The decision to carry out a CVA process in February 2018 has allowed the Group to exit 16 leases within the financial period and reduce the rent on 5 sites. Following this agreement, the Directors have assessed the cash flow forecasts for a three year period based on the reduced estate and the cash investments of £9.5 million and £10.2 million received. The directors are planning to exit a small number of further sites in the foreseeable future which they anticipate will further improve the Groups performance, although none of these are legally binding at the date of approval of these financial statements.

The current economic conditions continue to create uncertainty over (a) the level of demand for the Group's products; and (b) the availability of liquidity for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible adverse changes in trading performance, show that the Group will be able to operate within the level of its current available funds. In addition to this, the directors have received written assurances from the Group's primary shareholder that it is their intention to provide further funds to the Group to fund capital expenditure and, if required, working capital requirements, within 12 months from the date of approval of these financial statements.

The directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements. The directors therefore continue to adopt the going concern basis in preparing its financial statements.

Basis of consolidation
The consolidated financial statements include all results, cash flows and the assets and liabilities of all subsidiaries. Subsidiaries acquired during the period are recorded using the acquisition method of accounting and their results are included from the date of acquisition. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

All transactions and balances between the Group's businesses have been eliminated in the preparation of the consolidated financial information. All subsidiaries have co-terminus year ends and follow uniform accounting policies.

The Company has taken advantage of the following exemptions in its individual financial statements:

1. from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows; and
2. from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7, on the basis it is a qualifying entity.

Basic financial instruments

Trade and other receivables
Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Creditors
Creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Investments in subsidiaries
These are relevant to the financial statements of the Company only. Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and deposits repayable on demand. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Revenue
Revenue represents net invoiced sales of food and beverages excluding value added tax. Revenue is recognised when goods or services have been provided. All turnover originates from a single business in the UK.

Rebates receivable from suppliers
Where a rebate agreement with a supplier covers more than one year, the rebates are recognised in the financial statements in the period in which they are earned, and are recognised within cost of sales.

Exceptional costs
The Group presents a net figure for administrative expenses and cost of sales, on the face of the statement of comprehensive income, for exceptional items. Exceptional items are material items of income and expense that, because of the unusual nature and expected infrequency of the events giving rise to them, merit separate presentation to allow an understanding of the Group's financial performance.

Onerous lease provisions
Onerous lease provisions are recognised when the Group has a sublet property for which the Group's lease obligation cannot be met in full, or where a restaurant is loss-making for an extended period of time. An estimate is made of the period of time and the extent to which the lease obligations exceed the economic benefit of fulfilling the contract and a provision made accordingly.

Operating leases
Rentals paid under operating leases are charged to income on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Contributions received from landlords as an incentive are treated as deferred income within trade and other payables.

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

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date which are due to transactions or events which have occurred at that date and which will result in an obligation to pay more, or a right to pay less, tax in the future.

Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the deferred tax assets resulting from the underlying timing differences can be recovered.

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.

Property, plant and equipment and depreciation
Property, plant and equipment are stated at original historical purchase cost less accumulated depreciation and impairment losses.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided at the following annual rates in order to write down to estimated residual values the cost of each asset over its estimated useful life on a straight-line basis:

Asset class	***Depreciation rate***
Fixtures & fittings	10% per annum
Equipment	20% per annum
Computers	20% - 33.3% per annum

Short leasehold properties and improvements are amortised over the length of the lease except where the anticipated renewal or extension of the lease is sufficiently certain that a longer amortisation period is appropriate. Current legislation and the terms of the lease contracts are such that the majority of the leases are readily extendable by an additional 14 years. The maximum amortisation period for short term leasehold properties is 30 years.

Assets under construction comprise tangible fixed assets acquired for restaurants under construction, including costs directly attributable to bringing the asset into use. Assets are transferred to short leasehold improvements, equipment and fixtures when the restaurant opens. No depreciation is provided on assets under construction, as these assets have not been brought into working condition for intended use.

Impairment of property, plant and equipment
The carrying values of fixed assets are reviewed for impairment in periods where events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets below depreciated historical cost is charged to the statement of comprehensive income within operating profit/(loss). A reversal of an impairment loss is recognised in the statement of comprehensive income up to the extent that the original loss was recognised.

Inventories
Inventories comprise food and drink held for re-sale and equipment used in restaurants. Inventories are valued at the lower of cost and estimated selling price less cost to complete and sell. Cost is based on the purchase cost on a first-in, first-out basis. Cost for small ware inventories is determined by reference to the standard quantity in issue in each restaurant. A provision is recognised for slow moving, obsolete and defective inventories where necessary.

Pensions
The Group operates a defined contribution pension scheme and the pension costs charged to the statement of comprehensive income are the required amounts paid by the Group to the scheme during the period.

Significant estimates and judgements
Estimates and judgements are based on historical experience and other factors, including expectations of future events which are believed to be reasonable and constitute management's best judgement at the date of the financial statements. Actual experience may differ from these estimates. Key estimates and judgements are:

Impairment of property, plant and equipment
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. Where an indication of impairment is identified an estimation of the recoverable value is required for the cash generating unit. Each restaurant is considered to be a separate cash generating unit. This requires estimation of the future forecast cash flows for the restaurant and also the selection of an appropriate discount rate in order to calculate the net present value of those cash flows.

Going concern
The Group maintains a daily cash flow forecast and, at each reporting date, the Directors consider whether there are any conditions present which would cast significant doubt on the Group's ability to continue as a going concern. A degree of judgement is required in forecasting the future costs and income. Refer to the Company's Direct Report set out on page 7.

Onerous lease provision
For vacant properties, a provision is made to the extent any income from subletting the property is not expected to be sufficient to cover the future obligations under the lease. A provision is also recognised for loss making restaurants where the future cash flows are not expected to cover future payments under the lease contract and there is an intention to exit the restaurant. The key assumptions are the estimated future trading cash flows and the expected date of exiting the lease.

Exceptional Items
A degree of judgement is required in determining whether certain transactions merit separate presentation to allow a better understanding of financial performance in the year and comparison with previous years.

3 Revenue

Business sector analysis

The Group has operated in one business sector in the period, being the sale of food and beverages, which is wholly undertaken in the United Kingdom.

4 Operating loss

Group operating profit is stated after charging/ (crediting)

	52 weeks ended 24 June 2018 £'000	52 weeks ended 25 June 2017 £'000
Depreciation of owned tangible fixed assets:		
- Depreciation of short leaseholds	**1,521**	2,480
- Depreciation of fixtures, fittings, equipment and computers	**2,772**	3,311
Impairment of property, plant and equipment	**11,850**	49,800
Loss on disposals of property, plant and equipment	**-**	9
Operating lease rentals:		
- Hire of plant and machinery	**4**	4
- Short leasehold properties	**10,415**	11,197
- Rental income	**(296)**	(257)
Fees payable to the Company's auditor and its associates for the audit of the parent Company and the Group's consolidated financial statements:		
- Audit of the Company	**10**	5
- Audit of the Company's subsidiaries	**73**	59
- Audit related assurance services	**5**	8

5 Operating exceptional costs

	52 weeks ended 24 June 2018 £'000	52 weeks ended 25 June 2017 £'000
Impairment of property, plant and equipment	**11,850**	49,800
Reorganisation costs	**29**	868
Home Office review	**-**	650
Supply chain review	**-**	117
Onerous lease provisions	**7,846**	2,002
CVA costs	**5,626**	-
Aborted menu development costs	**84**	-
Equipment inventory review	**1,270**	-
Refinancing of debt	**(20,659)**	-
	6,046	53,437

An exceptional pre-tax charge of £6m has been recorded in the year (2017: £53.4m), which includes:

- Onerous lease provision resulting in a charge of £7.8m in the year (2017: £2m). This comprises:
  - A £0.9m credit in respect of unutilised provision following the successful exit of 16 sites;
  - A further charge totalling £8.7m was provided for in the year. This comprises of £4.7m in respect of newly identified onerous leases for sites which have now closed;
- A net impairment charge of £11.9m (2017: £49.8m) was made against the carrying value of specific restaurant assets due to continuing challenging trading conditions in the market in which Bryon operates. The outlook remains challenging, which has had an impact on the Group and the wider casual dining market.
- Restructuring and strategic review costs of £0.03m (2017: £0.6m) relating to costs incurred in the restructuring projects that were initiated in 2017 to implement the new strategy and cost initiatives.
- An exceptional charge of £5.7m (2017: £nil) has been recorded in relation to the Group's CVA which took place during the financial year. The costs relate to legal fees, lease closures costs and redundancies.
- An exceptional credit of £20.7m (2017: £nil) has been recognised in the year as a result of the refinancing which took place. The charge is made up of a credit of £20.7m relating to a gain on debt forgiveness
- Following a comprehensive review of the estate subsequent to the CVA process, management reviewed their estimates in respect of non-food stock held at each site. A £1.3m charge was incurred.

Cash expenditure associated with the above exceptional charges was £2.1m in the year (2017: £1.9m).

6 Employees and Directors

	52 weeks ended 24 June 2018 £'000	52 weeks ended 25 June 2017 £'000
a) Employee costs:		
Wages and salaries	**28,856**	30,007
Social security costs	**2,178**	2,114
Other pension costs	**278**	233
	31,312	32,354
b) Employee numbers (including directors)		
The average monthly number of persons employed by the Group during the period was:	**Number**	Number
Restaurants and distribution	**1,589**	1,711
Administration	**57**	69
	1,646	1,780

The Company has no employees (2017: none).

Total directors' remuneration in the period was as follows:

	52 weeks ended 24 June 2018 £'000	52 weeks ended 25 June 2017 £'000
Aggregate emoluments	**704**	852
Pension contributions	**25**	24
	729	876

The Group does not operate a defined benefit pension scheme. Directors are responsible for their own pension arrangements and any contributions by the Group are made directly into these individuals' personal pension plans.

Pension contributions of £nil were paid into individual personal pension plans in relation to three directors (2017: £24,000 in relation to three directors).

Emoluments in respect of the highest paid director were as follows:

	52 weeks ended 24 June 2018 £'000	52 weeks ended 25 June 2017 £'000
Aggregate emoluments	**268**	308
Pension contributions	**14**	15
	282	323

The highest paid director exercised no share options in the period and no director waived any emoluments in the period (2017: none).

7 Net finance costs

	52 weeks ended 24 June 2018 £'000	52 weeks ended 25 June 2017 £'000
Interest payable on bank loans and overdrafts	35	2,528
Interest payable on shareholder loans	6,929	9,844
Amortisation of issue costs of bank and shareholder loans	-	685
Net change in fair value of hedging instrument	-	(103)
Finance costs	**6,964**	12,954

Interest on the shareholder loans rolls up into the principal balance and is not due until the maturity or repayment of the respective loan.

8 Tax on loss on ordinary activities

Current tax	52 weeks ended 24 June 2018 £'000	52 weeks ended 25 June 2017 £'000
United Kingdom corporation taxation at 19% (2017: 19.75%)	-	-
Total current tax credit	-	-
Deferred tax		
Origination and reversal of timing differences	(997)	(541)
Adjustments in respect of prior periods	383	331
Effect of change in rate of taxation	279	-
Deferred tax not recognised	335	
Total deferred tax credit	-	(210)
Tax credit on loss on ordinary activities	-	210

The differences are explained below:

	52 weeks ended 24 June 2018 £'000	52 weeks ended 25 June 2017 £'000
Loss before taxation	**(16,806)**	(122,351)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.75%)	(3,193)	(24,164)
Effects of:		
Deferred tax adjustment relating to previous years	383	331
Expenses not deductible for tax purposes	1,111	15,731
Deferred tax not recognised	1,699	7,892
Total tax credit	-	(210)

The Group has unrecognised tax losses, for which no deferred tax asset has been booked due to the uncertainty of when such losses could be utilised, of £10.5 million at 24 June 2018 (2017 £8.4 million).

Factors affecting current and future tax charges
The Finance (No 2) Act 2015 was substantively enacted on 26 October 2015 and reduced the main rate of corporate tax to 19% with effect 1 April 2017 and 17% from 1 April 2020.

9 Property, plant and equipment

	Short leaseholds	Assets under construction	Fixtures, fittings, equipment and computers	Total
	£ 000	£ 000	£ 000	£ 000
Cost or valuation				
At 25 June 2017	72,814	942	26,646	**100,402**
Additions	15	144	927	**1,086**
Disposals	(12,315)	-	(4,001)	**(16,316)**
Transfers	670	(1,086)	416	**-**
At 24 June 2018	**61,184**	**-**	**23,988**	**85,172**
Accumulated depreciation				
At 25 June 2017	54,972	-	20,065	**75,037**
Charge for the period	1,521	-	2,772	**4,293**
Disposals	(12,315)	-	(4,001)	**(16,316)**
Impairment	7,513	-	4,337	**11,850**
At 24 June 2018	**51,691**	**-**	**23,173**	**74,864**
Net book value				
At 24 June 2018	**9,493**	**-**	**815**	**10,308**
At 25 June 2017	17,842	942	6,581	25,365

In 2018, the impairment loss of £11.9m represents the write-down of certain property, plant and equipment in Byron Hamburgers Limited, the Group's trading subsidiary, to the recoverable amount as a result of the downturn in trading in the company and the hospitality sector. This was recognised as an exceptional expense in the statement of comprehensive income within admin expenses. In determining value in use, the forecast cash flows were discounted at a rate of 10.4% on a pre-tax basis.

Capital expenditure contracted but not provided as at 24 June 2018 was £nil (2017: £1.6m), relating to new restaurants.

Company

The Company has no tangible fixed assets (2017: nil).

10 Investments

Company

	Investment in subsidiaries
	£'000
Cost and net book value	
At 25 June 2017 and 24 June 2018	**1**

A list of all subsidiary companies is provided in note 21.

11 Inventories

Group

	24 June 2018 £'000	25 June 2017 £'000
Inventories – equipment	**152**	1,702
Inventories – food and drink	**353**	458
	505	2,160

There is no material difference between the value of inventories held and their replacement cost. Inventories recognised as cost of sales in the year amounted to £18,778,023 (2017 £18,978,000).

The Company
The Company holds no inventories (2017: nil).

12 Trade and other receivables

	Group	Company	Group	Company
	24 June 2018 £'000	**24 June 2018 £'000**	25 June 2017 £'000	25 June 2017 £'000
Trade receivables	**650**		290	-
Other receivables	**270**		442	-
Prepayments and accrued income	**632**	-	628	-
	1,552		1,360	-

All of the receivables stated above are due within one year.

13 Trade and other payables: amounts falling due within one year

	Group	Company	Group	Company
	24 June 2018 £'000	**24 June 2018 £'000**	25 June 2017 £'000	25 June 2017 £'000
Bank loans and overdrafts (note 15)	-	-	44,732	-
Derivative financial instruments	-	-	23	-
Trade payables	**1,677**	-	5,419	-
Other payables	**900**	-	1,087	-
Amounts due to subsidiary undertakings	-	-	-	18
Taxation and social security	**1,864**	-	3,777	-
Accruals and deferred income	**3,112**	-	4,052	-
Unsecured shareholder loan notes	**4,553**	**4,553**	-	-
	12,106	**4,553**	59,090	18

Terms of the shareholder loan notes are summarised in Note 14.

14 Trade and other payables: amounts falling due after more than one year

	Group	**Company**	Group	Company
	24 June 2018 £'000	**24 June 2018 £'000**	25 June 2017 £'000	25 June 2017 £'000
Shareholder loans – Bridge loan	**-**	**-**	246	-
Unsecured shareholder loan notes	**53,972**	**-**	75,776	4,548
Accruals and deferred income	**2,300**	**-**	2,898	-
		-	78,920	4,548
Unamortised issue costs	**435**	**-**	(1,472)	-
	56,707	**-**	77,448	4,548

Unsecured Shareholder Loan Notes

On 12 November 2013 DMWSL 742 Limited, a subsidiary of the Company issued 45,160,000 £1 PIK loan notes.

On 20 March 2017 DMWSL 742 Limited issued £6,741,000 of Super Senior PIK notes and the Company issued £4,429,000 of shareholder loan notes.

On 5 February 2018, the value of the DMWSL 742 shareholder loan notes including accrued interest was £75,631,703. On that date the Company purchased unsecured shareholder loan notes for £56,255,969 equating to 37,216,766 £0.0001 shares. The £6,255,969 purchased was made up of £37,216,766 of the initial 45,160,000 £1 PIK loan notes from Hutton Collins and £19,039,203 amount of accrued interest. On the same date the Company purchased unsecured shareholder loan notes for £436,031 equating to 400,000 £0.0001 shares. The £436,031 was made up of £400,000 of the initial £6,741,000 Super Senior PIK notes and £36,031 of accrued interest.

The maturity date of the remaining loan notes is November 2023. The loan notes accrue interest at a compound rate of 10% per annum. Interest capitalised into the principal of the remaining loan notes at 24 June 2018 was £4.9m.

As at 24 June 2018, the unamortised cost was £0.4m (2017: £1.5m). £0.2m of shareholder loans were written off during the year.

On 5 February 2018 Byron Hamburgers Limited, a subsidiary of the Company issued Unitranche shareholder loan notes for £34.5m. The maturity date of the shareholder loan notes is February 2028. The loan notes accrue interest at a compound rate of 10% per annum. Interest capitalised into the principal of the loan notes at 24 June 2018 was £1.3m (2017: nil).

Subsequent to the end of the financial period, the Directors have carried out a financial restructuring of the Group. £27.9m of amounts owed to Shareholders were subsequently converted to shares.

As part of the 31 January 2019 restructure the Group's trading subsidiary, Byron Hamburgers Limited, has provided security for all indebtedness, liabilities and obligations of the trading company under a security agreement. The security comprises fixed and floating charges over all assets within the Group owed to Pall Mall Secondary AM S.à r.l, an affiliate of Three Hills Capital Partners, the Group's ultimate controlling party. Refer to note 22.

15 Provisions for liabilities

	Onerous leases £'000	Net provision £'000
At 25 June 2017	2,002	**2,002**
Utilisation of provision	(1,108)	**(1,108)**
Credit to the Statement of Comprehensive Income in respect of an over provision	(894)	**(894)**
Charge to the Statement of Comprehensive Income	8,741	**8,741**
At 24 June 2018	**8,741**	**8,741**

Onerous Leases

The onerous lease provision relates to loss making restaurants where the future cash flows are not expected to cover future rental payments under the lease contract. A provision is made for the lower of the forecast restaurant cash outflows (including rental payments) and the rental payments, to the estimated date of exit. It is estimated that most of the provision will be utilised within one year.

16 Called up share capital

Group and Company	**Group and Company 24 June 2018 £**	Group and Company 25 June 2017 £
Allotted, issued and fully paid		
Equity		
155,485,034 ordinary A shares of £0.0001 each (2017: 111,464 £0.0001 each)	**15,549**	11
Nil ordinary B shares of 0.01p each (2017 13,496, 0.01p each)	**-**	-
6 ordinary E shares of £1 each (2017: 6, of £1 each)	**6**	6
99,569 Deferred shares of £0.0001p each	**10**	10
	15,565	27

On 26 July 207 the Group issued 868 £0.0001 ordinary A shares for nil consideration.

On 5 February 2018 the Group restructured its debt profile through the existing loan note holders exchanging £58m of loan notes for 57,806,388 £0.0001 ordinary A shares in the Company. Share premium of £1.1m has been recognised within the Company through this transaction and a £55.4m capital contribution reserve has been recognised in the Group. £1.3m of associated deal fees have been written off.

On the same date 97,566,314 of £0.0001 ordinary A shares were subscribed in the Company by TH Lord S.à r.l. for consideration of £0.0009m.

17 Operating lease commitments

The total future rental payments outstanding under non-cancellable operating leases are set out below:

	24 June 2018 **£'000**	25 June 2017 £'000
Land and buildings		
Less than one year	**9,972**	11,589
Between one and five years	**37,271**	44,359
Over five years	**93,175**	125,615
	140,418	181,563

The financial commitments for operating lease amounts payable as a percentage of turnover have been based on the minimum payment that is required under the terms of the relevant lease. As a result, the amounts charged to the statement of comprehensive income may be different to the financial commitment at the year-end.

18 Contingent liabilities

The company has no contingent liabilities as at 24 June 2018 (2017: nil).

19 Related party transactions

Holdings in loan notes issued by DMWSL 742 Limited, a wholly owned subsidiary of the Company.

The following related parties had holdings in loan notes issued by the Group:

	24 June 2018 **£'000**	25 June 2017 £'000
HC Investissements VI S.à r.l.	5,228	39,022
TH Lord S.à r.l.	2,206	8,500
Paladin Byron Limited Partnership	171	629
Paladin Holdings S.à r.l.	682	2,517
Pall Mall Legacy SCSp	5,228	19,511
Misland Capital Limited	341	1,259

HC Investissements VI S.à r.l. is a company controlled by Hutton Collins Capital Partners III LLP and a fund managed by Hutton Collins Partners LLP.

M Moretti and L de Boer, directors of the Company during the year, have an indirect interest in TH Lord S.à r.l. and an indirect interest in Pall Mall Legacy S.C.Sp.

G Hutton, a former director of the Company during the year, has an indirect interest in TH Lord S.à r.l.

E Bellquist, a former director of the Company during the year, is a partner in Paladin Byron Limited Partnership.

G Ford, a former director of the Company during the year, is a director of Paladin Holdings S.à r.l.

The interest charge on the above loan notes was £1.7m. Accrued interest on the above loan notes is £4.5m which accrues in proportion to the loan notes held. Terms of the shareholder loan notes are summarised in Note 14.

The following former director of the Company had holdings in loan notes issued by the Group:

	24 June 2018 **£**	25 June 2017 £
S Boston	2,890	10,821

The term and conditions of these loan notes are the same as the unsecured loan notes detailed in note 13.

19 Related party transactions (continued)

Transactions with key management personnel

The directors are considered to be the Group's key management personnel. Total compensation of key management personnel in the year amounted to £729,000 (2017: £876,000).

20 Ultimate parent undertaking

As at 24 June 2018, Hellespont Holdings Limited's ultimate parent undertaking and ultimate controlling party are funds managed by Three Hills Capital Partners.

21 Subsidiary undertakings

The subsidiary undertakings of the Group as at and for the period ended 24 June 2018 were as follows:

	Principal activity	Country of incorporation	Proportion of ordinary voting shares held and *interest in allotted capital*
Byron Hamburgers Limited	Operator of restaurants	UK	100%
DMWSL 740 Limited	Holding Company	UK	100%
DMWSL 741 Limited	Holding Company	UK	100%
DMWSL 742 Limited	Holding Company	UK	100%

The registered address of all subsidiaries is:

1st Floor
14-15 Berners Street
London
W1T 3LJ

22 Subsequent events

The Company completed a restructure on the 31 January 2019. Existing loan note holders exchanged £27.9m of loan notes for 0.01p ordinary A shares in Byron Hamburgers. As part of this restructuring £5.2m of A shares and £5m of shareholder loans were issued resulting in a cash injection of £10.2 million.

Following the 31 January 2019 restructure, the Company no longer controls Byron Hamburgers Limited. It is the intention of the Directors to wind up the Company.

As part of the restructure the fixed assets of the Byron have been provided as security for all indebtedness, liabilities and obligations under a security agreement. The security comprises fixed and floating charges over all assets within the Group owed to Pall Mall Secondary AM S.à r.l., an affiliate of Three Hills Capital Partners, the Company's ultimate controlling party.

Simon Cope (CEO), Russell Hoare (CFO), Nick Young (COO) and Steve De Polo (MD) have subsequently resigned as Directors of the Company's trading subsidiary Byron Hamburgers Limited. Simon Wilkinson joined as CEO from the 8th of May 2019.