

Registration number: 09630993

CDM HOLDCO LIMITED


Annual Report and Financial Statements

for the period 9 June 2015 to 26 June 2016

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CDM HOLDCO LIMITED

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CDM HOLDCO LIMITED

Company Information

Directors James Pickworth
Stephen Holmes
Daniel Land
Jeremy Sanders

Company secretary James Pickworth

Registered Office 3rd Floor
Capital House
25 Chapel Street
London
NW1 5DH

Company Number 09630993

CDM HOLDCO LIMITED

Strategic Report

The directors present their strategic report for CDM Holdco Limited for the period from 9 June 2015 to 26 June 2016 ("the period").

Business review and results

The Company was incorporated as CDM Holdco Limited on 9 June 2015 to act as a holding company.

On 8 July 2015 the Company acquired 497,379 shares in CDM Trading Limited (previously Tenfour Ventures Limited), making it a wholly owned subsidiary. CDM Trading Limited operates the Coco di Mama quick-service brand. This acquisition was part funded by way of shareholder loan notes totalling £12.9m.

During the period the Company issued 200,000 shares to its direct parent, CDM Group Limited.

The results of the Company for the financial year ended 26 June 2016 are set out on page 7 and show a loss on ordinary activities before taxation of £1.4m, representing net interest payable. The total shareholders' deficit as at 26 June 2016 is £1.1m.

As this is the first period of incorporation, no prior year comparisons are able to be made.

Key Performance Indicators (KPIs)

Given the holding company nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. This is achieved instead through its operating subsidiary, the performance of which is measured through the use of three key performance indicators being sales versus prior year, profitability versus prior year and the number of trading restaurants.

A more detailed business review including future developments is in the financial statements of the Company's parent undertaking, CDM Group Limited, which does not form part of this report.

Principal risks and uncertainties

The principal risks to which the Company is exposed is liquidity risk and interest rate risk.

Liquidity risk arises from shareholder loan notes payable and other intercompany creditor balances. The Company has received assurances repayment will not be requested in the foreseeable future.

Interest rate risk arises to the extent that a change in the underlying base rate of interest will affect the level of interest payable on shareholder loan notes and intercompany balances. To mitigate this risk the loan notes have a fixed interest rate of between 3 and 12 percent per annum, dependant on the category of Loan note.

By order of the Board



James Pickworth
Director
24 March 2017

CDM HOLDCO LIMITED

Directors' Report

The directors present their annual report and financial statements of the Company for the period 9 June 2015 to 26 June 2016. As this is the first period of incorporation for the Company no comparative information is presented. The basis of preparation of the financial statements is set out in note 1 on page 10.

Results and dividends

The results of the Company for the period are set out on page 7.

As the Company is in a loss position, the directors do not recommend the payment of a dividend.

Directors

The directors of the Company during the period and up to the date of signing the financial statements are:

- Daniel Land (appointed 8 July 2015)
- Jeremy Sanders (appointed 8 July 2015)
- James Pickworth (appointed 9 June 2015)
- Stephen Holmes (appointed 9 June 2015)

Going concern

The directors have considered the financial position of the Company and concluded that it is appropriate to prepare the financial statements on a going concern basis. The shareholder loan note debt does not mature until 2023.

Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, cash flow risk and interest rate risk. The Company'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 Company under guidance by the Board. The Company identifies, evaluates and addresses financial risks in close co-operation with the Company's operating units

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.

(b) Liquidity risk

The Group manages its exposure to liquidity risk through a naturally low level of debtors, maintaining a diversity of funding sources and the spreading of debt repayments over a range of maturities.

(c) Interest rate risk

Interest rate risk may arise from a change in the underlying base rate of interest, affecting the level of income received on cash balances, or paid on shareholder loans. To mitigate this risk the loan notes have a fixed interest rate of between 3 and 12 percent per annum, dependant on the category of Loan note.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable laws and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

CDM HOLDCO LIMITED

Directors' Report

Directors' responsibilities statement (continued)

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

Directors' indemnities

Qualifying third party indemnity provisions for the benefit of directors, as defined by the Companies Act 2006, have been in force during the period and at the date of approval of the annual report.

Audit exemption

Advantage has been taken of the audit exemption available under section 479A of the Companies Act 2006 relating to subsidiary companies on the grounds

- that for the period ended 26 June 2016 the company was entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies, and
- that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for the financial year.

The directors acknowledge their responsibilities for

- ensuring that the Company keeps adequate accounting records which comply with section 366 of the Companies Act 2006, and
- preparing financial statements which give a true and fair view of the state of the affairs of the Company at 26 June 2016 and of its profit and loss for the period then ended in accordance with the requirement of section 394 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the company.

By order of the Board



James Pickworth

Director

24 March 2017

CDM HOLDCO LIMITED

Profit and loss account

As at 26 June 2016

		9 June 2015 to 26 June 2016
	Note	£000
Net interest payable and similar charges	3	(1,364)
Loss on ordinary activities before taxation		(1,364)
Tax on loss on ordinary activities	4	206
Loss for the financial period		(1,158)

The results above all relate to continuing operations.

CDM HOLDCO LIMITED

Balance sheet As at 26 June 2016

		26 June 2016
		£000
Non-current Assets		
Investments	5	13,179
		13,179
Current assets		
Debtors	6	1,018
		1,018
Creditors: amounts falling due within one year	7	(345)
Net current assets		673
Total assets less current liabilities		13,852
Creditors: amounts falling due after more than one year	8	(14,910)
Net liabilities		(1,058)
Capital and reserves		
Called up share capital	9	100
Retained earnings	9	(1,158)
Total equity		(1,058)

For the financial year ended 26 June 2016, the Company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the Company to obtain an audit of its accounts for the year ended 26 June 2016 in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation accounts.

The financial statements on pages 7 to 14 were approved by the Board of Directors on 24 March 2017 and signed on its behalf by



James Pickworth
Director

Company registration number: 09630993

The notes on pages 10 to 14 form an integral part of these statements.

CDM HOLDCO LIMITED

Statement of changes in equity As at 26 June 2016

	Called up share capital	Accumulated losses	Total
	£000	£000	£000
Balance as at 9 June 2015	-	-	-
Issue of ordinary share capital (note 8)	100	-	100
Loss for the year	-	(1,158)	(1,158)
Balance as at 26 June 2016	100	(1,158)	(1,058)

CDM HOLDCO LIMITED

Notes to the financial statements

For the period 9 June 2015 to 26 June 2016

1 General information

The principal activity of CDM Holdco Limited is that of a holding company.

The financial information is presented for the period from 9 June 2015 to 26 June 2016. As this is the company's first period of incorporation no comparative information is available.

The company is a private company limited by shares and is incorporated in the United Kingdom. The address of the registered office is Third Floor, Capital House, 25 Chapel Street, London, NW1 5DH.

2 Accounting policies

Basis of preparation

The financial information has been prepared on a going concern basis, under the historical cost convention and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The most significant accounting policies, which have been applied consistently throughout the period, are described below.

The Company is exempt under Companies Act 2006 section 400 from the obligation to prepare and deliver group financial statements as it is itself a wholly owned subsidiary of a larger group drawing up consolidated financial statements, as detailed in note 12. As a consequence, these financial statements present information about the Company as an individual undertaking and not about its group.

Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- (i) 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;
- (ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- (iii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- (iv) a reconciliation of the number of shares outstanding at the beginning and end of the period. FRS 102 p4.12(a)(iv).

Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Debt finance

All borrowings are initially stated at the fair value of consideration received after deduction of issue costs. The issue costs and interest payable on borrowings are charged to the profit and loss account over the term of the borrowing, or over a shorter period where it is more likely than not that the lender will require earlier repayment or where the borrower intends or is required to redeem early.

Directors' remuneration

No remuneration was paid by the Company to any director during the period. The remuneration of Daniel Land and Jeremy Sanders was paid by the Company's direct subsidiary, CDM Trading Limited who did not recharge the Company.

The Company does not operate a defined benefit pension scheme and does not make any contributions to defined contribution schemes. No directors had any interests in any options for shares in the Company.

CDM HOLDCO LIMITED

Notes to the financial statements

For the period 9 June 2015 to 26 June 2016

3 Net interest payable and similar charges

	Note	9 June 2015 to 26 June 2016 £000
Interest payable on bank loans and overdrafts		
Interest payable on shareholder loan notes	8	(186)
Interest payable on revolver loan		9
Interest payable and similar charges		(177)

Interest on shareholder loan notes rolls up into the principal balance annually and does not fall due until the maturity or repayment of the respective loan note.

4 Tax on loss on ordinary activities

	9 June 2015 to 26 June 2016 £000
Current tax	£000
United Kingdom corporation taxation	-
Total current tax charge	
Deferred tax	
Origination and reversal of timing differences	(206)
Total deferred tax credit	(206)
Tax credit on ordinary activities	(206)

	9 June 2015 to 26 June 2016 £000
Loss on ordinary activities before taxation	(1,364)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00%	(273)
Effects of:	
Expenses for tax purposes non-deductible	67
Total tax credit	(206)

The Finance (No.2) Act 2015 was substantively enacted on 26 October 2015 and reduced the main rate of corporation tax to 19.0% with effect from 1 April 2017 and 18% from 1 April 2020. Closing deferred tax balances have therefore been valued at 18.0%, 19.0% or 20.0% depending on the date they are expected to unwind. A further reduction in the main rate of corporation tax to 17.0% with effect from 1 April 2020 has been announced but was not substantively enacted at the balance sheet date.

CDM HOLDCO LIMITED

Notes to the financial statements

For the period 9 June 2015 to 26 June 2016

5 Investments

	Investment in subsidiary £000
Net book value at 9 June 2015	-
Additions	13,179
Net book value at 26 June 2016	13,179

On 8 July 2015 the Company acquired 497,379 shares in CDM Trading Limited making it a wholly owned subsidiary. The directors believe the carrying value of the investment is supported by the underlying assets.

Details of investments which the Company holds are as follows:

Undertaking	Proportion of voting rights and shares held	Country of incorporation	Principal activity
CDM Trading Limited	100%	UK	Restaurant operations

6 Debtors

	26 June 2016 £000
Amounts due from group undertakings	812
Deferred Tax asset	206
	1,018

The amounts above is due within one year. Amounts due from group undertakings are interest free and are repayable on demand.

The deferred tax asset comprises accumulated tax losses carried forward.

7 Creditors: amounts falling due within one year

	26 June 2016 £000
Amounts due to group undertakings	345
	345

Amounts due to group undertakings are interest free and are repayable on demand.

CDM HOLDCO LIMITED

Notes to the financial statements

For the period 9 June 2015 to 26 June 2016

8 Creditors: amounts falling due after more than one year

	26 June 2016 £000
Shareholder loan notes	(14,910)
	(14,910)

The company had outstanding Shareholder Loan notes of £14,910,000 which includes accrued interest of £1,355,000 at the year-end date. £5,377,000 of loan notes were issued to the Shareholders as part of the acquisition of CDM Holdco on 8 July 2015 by CDM Group Limited, with £8,178,000 being issued post acquisition. Interest is accrued on the different classes of loan notes on fixed rates ranging between 3 and 12%, and is interest compounded on January 1 annually.

Included within the balance are vendor Loan notes which are repayable at maturity on 1 January 2023 or in part when certain ratcheted targets are met. Currently it is not expected any targets to be met within the next 12 months, and on that basis the loans have been classified as non-current. The remaining loan notes are repayable at maturity on 1 January 2023.

9 Share capital and other reserves

Share capital

	26 June 2016 £
Allotted, issued and fully paid	
200,000 Ordinary A shares of £0.50 each	100,000
	100,000

Retained earnings

	26 June 2016 £000
At 9 June 2015	-
Loss for the period	(1,158)
At 26 June 2016	(1,158)

CDM HOLDCO LIMITED

Notes to the financial statements

For the period 9 June 2015 to 26 June 2016

10 Post balance sheet events

On 2 February 2017 the Azzurri Group amended its senior debt facilities, to which the company is an obligor, which included the addition of £45m of new commitments. Accompanied by an amendment to migrate £20.8m of its amortising debt to repayment co-terminus with existing non-amortising senior debt, these commitments were used to refinance existing shareholder debt and provide additional Capex facilities to the Group. There were no other material amendments to the facilities agreement.

11 Related party transactions

The Company is exempt under the terms of paragraph 3(c) of Financial Reporting Standard 8, 'Related Party Disclosure', from disclosing related party transactions with entities that are 100 percent owned by CDM Group Limited.

12 Ultimate parent undertakings

The immediate parent company of CDM Holdco Limited is CDM Group Limited, a limited company incorporated in England and Wales and the smallest group for which consolidated financial statements are prepared. The financial statements of CDM Group Limited are available from the Company Secretary, 3rd Floor, Capital House, 25 Chapel Street, London, NW1 5DH.

The parent company of CDM Group Limited is Azzurri Central Limited who is the indirect subsidiary of Azzurri Group Limited, a limited company incorporated in England and Wales and the largest group for which consolidated financial statements are prepared. The financial statements of Azzurri Group Limited are available from the Company Secretary, 3rd Floor, Capital House, 25 Chapel Street, London, NW1 5DH.

The Group's immediate and ultimate parent undertakings were Bridgepoint Europe V 'A1' LP, Bridgepoint Europe V 'A2' LP, Bridgepoint Europe V 'A4' LP, Bridgepoint Europe V 'B1' LP, Bridgepoint Europe V 'B2' LP, Bridgepoint Europe V 'B3' LP, Bridgepoint Europe V 'B4' LP, Bridgepoint Europe V 'B5' LP, Bridgepoint Europe V 'C' LP, Bridgepoint Europe V 'C2', Bridgepoint Europe V 'D' LP, Bridgepoint Europe V 'E' LP (together the "Bridgepoint Partnerships"). The Partnerships each act by their FCA authorised fund manager, Bridgepoint Advisers Limited.

Bridgepoint Advisers Limited's ultimate parent company is Bridgepoint Advisers Group Limited. Accordingly, at 26 June 2016, the directors consider the Company's ultimate controlling party to be Bridgepoint Advisers Group Limited.