

**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 26 AUGUST 2018**



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**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**

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**COMPANY INFORMATION**

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**Directors** Steven Hill  
Gareth Lloyd-Jones  
Graham Morrison  
Grace Henderson-Londono

**Registered number** 10482231

**Registered office** Nower End  
Nower Road  
Dorking  
England  
RH4 3BX

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## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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### GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 26 AUGUST 2018

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#### Introduction

High Road Restaurants Group Holdco Limited was incorporated on 16 November 2016 to effect the acquisition of the Koh Thai Tapas Group of Thai restaurants. On 6 February 2018 it further boosted its presence within the restaurant industry with the acquisition of Buenos Aires steak restaurants.

The sole purpose of the company is to oversee the running of these subsidiaries with a view to growing them across the U.K. in order to generate returns to shareholders.

#### Business review

During the 51 weeks ended 26 August 2018, the Group generated sales from restaurant activities of £11.6m (2017: £7.1m), generating an operating loss of £2.5m (2017: £1.5m loss) and a loss before tax of £2.8m (2017: £1.3m loss). During the period ended 26 August 2018, both businesses generated EBITDA from their individual operations. The comparative numbers for 2017 in the attached accounts represent the results for the Koh Group only for the 42 week period following its acquisition.

The group incurred 'one off' non recurring restructuring costs of £720,000.

In addition, further 'non cash' adjustments during the year were as follows:

Non Pay Shareholder Loan Interest	£492,000
Goodwill Amortisation	£1,160,000
Depreciation and Impairment of Tangible Fixed Assets	£777,000
Total 'Non Cash' Adjustments	£2,429,000

Although shareholder loan note interest has been accrued for the period, the company does not intend to pay any interest due as the director/shareholders wish to retain cash within the group to fund future roll out plans without the need for bank funding during the present climate.

#### Restaurant Openings and Closures

During the period ended 30 June 2019 Koh Thai Tapas closed its loss-making restaurant in Salisbury, thereby improving annual EBITDA.

During the period ended 30 June 2019, Buenos Aires opened a further restaurant in Reading under the brand name Buenasado. Initial trade has been in line with directors expectations and the restaurant is expected to generate annual EBITDA in the region of £200,000.

#### Balance Sheet

The board acknowledges that the balance sheet shows Net Current Liabilities of £1.6m. This includes the non cash pay accrual for shareholder loan interest of £492k. The additional shortfall is largely due to the effects of the restructuring costs incurred towards the end of the financial year of £720k and outstanding advisors fees of approximately £200k in respect of the acquisition of Buenos Aires Restaurants Limited. These were paid after the year end, during September 2018.

The directors have implemented stringent cash control throughout the business in order to rectify the negative position which they consider to be temporary and fully justifiable.

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## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 26 AUGUST 2018

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#### **Principal risks and uncertainties**

##### *Brexit*

Like most consumer businesses, brexit uncertainty represents the biggest single risk to the business due to the effect it is having on the consumer confidence and the general economy in the short to medium term.

In order to maintain authenticity, both the Koh Thai business and the Buenos Aires business import significant product lines from other parts of the world, including the Far East, South America and Europe. Any impact on sterling exchange rates, import duties or supply could have a negative financial impact on the group. In order to mitigate the potential impact, the company maintains close relationships with all suppliers, paying invoices on time and establishing fair contract terms which work successfully for both parties.

Many of our staff are foreign nationals. We are working with them to ensure they are still eligible to continue to work as part of the group on an ongoing basis.

##### *Consumer Attitudes*

A change in consumer attitudes towards the type of cuisines they choose could impact sales, in particular within our steak restaurants. Mainly because vegetarian and vegan options are greater within the Thai restaurants. However, meat still represents a popular choice and revenues continue to be strong within the Buenos Aires group.

The board continues to run each business in a controlled, conservative manner in order to provide maximum headroom in terms of ebitda:debt so that the group is able to weather any storms in the near future. The group is also continually researching ways to improve the businesses and the food they serve.

#### **Financial key performance indicators**

Other than the KPI's disclosed in the business review above, the directors of each group company adopt normal trading KPI consistent with those used by other restaurant groups including labour, food GP and sales like for like (L4L). The board also reports to the bank on a monthly basis regarding cash, cashflow, company performance and covenant reporting.

The board also holds monthly meetings to ensure that strategic objectives are being implemented and achieved throughout the group; financial and operational performance meets the boards stringent demands in order to balance the needs and desires of all 'stakeholders' including our staff, customers, suppliers, banks and shareholders; and the group maintains best practice in all areas of the business thereby ensuring the safety of staff and customers.

#### **Other key performance indicators**

In addition to financial KPI, the board maintains dialogue with other operators in order to ensure that the company adopts best practices and to give further benchmarking of the groups performance.

Trade and daily press and other media are also taken into account when establishing and maintaining current best practice. Most recently, steps have been implemented to ensure that all allergen and related notification and communication represent the highest safety standards as set by the Environmental Health Agency.

There have been no events since the balance sheet date which could materially affect the position of the company.

The directors do not recommend the payment of a dividend for the year.

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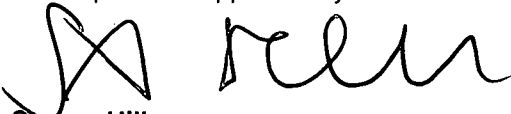
HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 26 AUGUST 2018

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This report was approved by the board and signed on its behalf.



Steven Hill  
Director

Date: 4/9/19

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## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 26 AUGUST 2018

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The directors present their report and the financial statements for the period ended 26 August 2018.

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

#### Results and dividends

The loss for the period, after taxation, amounted to £2,772,802 (2017 - loss £1,349,115).

#### Directors

The directors who served during the period were:

Steven Hill (appointed 2 February 2018)  
Gareth Lloyd-Jones (appointed 2 February 2018)  
Graham Morrison (appointed 2 February 2018)  
Grace Henderson-Londono (appointed 2 February 2018)  
Andrew Lennox (resigned 2 February 2018)  
Paul Lilley (resigned 2 February 2018)  
Adrian Lurie (resigned 2 February 2018)

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

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HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 26 AUGUST 2018

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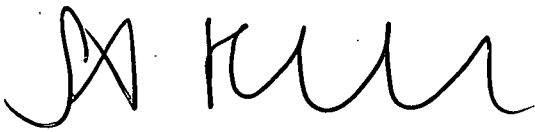
**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'S Hill', written over a horizontal line.

Steven Hill  
Director

Date: 4/9/19

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## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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#### Opinion

We have audited the financial statements of High Road Restaurants Group Holdco Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 26 August 2018, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

Except for the possible effects of the matters described in the Basis for qualified opinion paragraph, in our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 26 August 2018 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for qualified opinion

With respect to the opening balances of certain subsidiaries, the audit evidence available to us was limited as adequate accounting records had not been maintained. We have been unable to perform sufficient alternative audit work to obtain adequate audit evidence on the accuracy of opening balances.

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

#### Conclusions relating to going concern

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

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

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the

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## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED (CONTINUED)

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financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

In respect solely of the limitation on our work relating to opening balances, described above:

- we have not received all the information and explanations we considered necessary for the purposes of our audit; and
- we were unable to determine whether adequate accounting records had been kept

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

- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made

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## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED (CONTINUED)

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#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### Other matters

The corresponding figures for the period to 3 September 2017 were not audited.

#### Use of our report

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



Gareth Ogden (Senior Statutory Auditor)

for and on behalf of  
**Haysmacintyre LLP**

Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

Date:

4/9/19

**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 26 AUGUST 2018**

	Note	Period ended 26 August 2018 £	42 weeks to 3 September 2017 £
Turnover	3	11,561,735	7,064,720
Cost of sales		(5,649,570)	(4,372,380)
<b>Gross profit</b>		<b>5,912,165</b>	<b>2,692,340</b>
Administrative expenses		(7,902,850)	(3,981,133)
<b>Operating loss</b>	4	<b>(1,990,685)</b>	<b>(1,288,793)</b>
Interest receivable and similar income	7	-	334
Interest payable and expenses	8	(530,554)	(245,869)
<b>Loss before tax</b>		<b>(2,521,239)</b>	<b>(1,534,328)</b>
Tax on loss	9	(251,563)	185,213
<b>Loss for the financial period</b>		<b>(2,772,802)</b>	<b>(1,349,115)</b>
<b>Other comprehensive income for the period</b>			
<b>Total comprehensive income for the period</b>		<b>(2,772,802)</b>	<b>(1,349,115)</b>
<b>Loss for the year attributable to:</b>			
Owners of the parent company		2,772,802	1,349,115
		<b>2,772,802</b>	<b>1,349,115</b>

The notes on pages 17 to 35 form part of these financial statements.

**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**  
**REGISTERED NUMBER: 10482231**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 26 AUGUST 2018**

	Note	26 August 2018 £	3 September 2017 £
<b>Fixed assets</b>			
Intangible fixed assets	10	12,967,245	6,188,955
Tangible assets	11	2,368,302	1,998,875
		<u>15,335,547</u>	<u>8,187,830</u>
<b>Current assets</b>			
Stocks	13	232,421	149,141
Debtors: amounts falling due after more than one year	14	425	-
Debtors: amounts falling due within one year	14	726,008	1,155,980
Bank and cash balances		1,031,286	859,647
		<u>1,990,140</u>	<u>2,164,768</u>
Creditors: amounts falling due within one year	15	(3,547,297)	(1,553,194)
<b>Net current (liabilities)/assets</b>		<u>(1,557,157)</u>	<u>611,574</u>
<b>Total assets less current liabilities</b>		<u>13,778,390</u>	<u>8,799,404</u>
Creditors: amounts falling due after more than one year	16	(15,569,492)	(10,054,069)
<b>Net liabilities</b>		<u><u>(1,791,102)</u></u>	<u><u>(1,254,665)</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	1,200	945
Share premium account	19	2,329,198	93,505
Capital redemption reserve	19	427	-
Profit And Loss Account	19	(4,121,927)	(1,349,115)
		<u><u>(1,791,102)</u></u>	<u><u>(1,254,665)</u></u>

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**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**  
**REGISTERED NUMBER: 10482231**

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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 26 AUGUST 2018**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Steven Hill  
Director

Date: 4 / 9 / 19

The notes on pages 17 to 35 form part of these financial statements.

**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**  
**REGISTERED NUMBER: 10482231**

**COMPANY BALANCE SHEET**  
**AS AT 26 AUGUST 2018**

	Note	26 August 2018 £	3 September 2017 £
<b>Fixed Assets</b>			
Fixed asset investments		1	1
<b>Current assets</b>			
Debtors due after more than 1 year	14	425	-
Debtors: amounts falling due within one year	14	88,422	94,450
		<u>88,847</u>	<u>94,450</u>
Creditors: amounts falling due within one year	15	-	(1)
<b>Net current assets</b>		<u>88,848</u>	<u>94,450</u>
<b>Total assets less current liabilities</b>		<u>88,848</u>	<u>94,450</u>
<b>Net assets excluding pension asset</b>		<u>88,848</u>	<u>94,450</u>
<b>Capital and reserves</b>			
Called up share capital	18	1,200	945
Share premium account	19	2,329,198	93,505
Capital redemption reserve	19	427	-
Profit and loss account carried forward		(2,241,977)	-
		<u>88,848</u>	<u>94,450</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**Steven Hill**  
 Director

Date: 4/9/19

The notes on pages 17 to 35 form part of these financial statements.

HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 26 AUGUST 2018

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
Loss for the 42 week period to 3 September 2017	-	-	-	(1,349,115)	(1,349,115)
Shares issued during the period	945	93,505	-	-	94,450
<b>At 3 September 2017</b>	945	93,505	-	(1,349,115)	(1,254,665)
Loss for the period	-	-	-	(2,772,802)	(2,772,802)
Purchase of own shares	-	-	427	(10)	417
Shares issued during the period	682	2,235,693	-	-	2,236,375
Purchase of own shares	(427)	-	-	-	(427)
<b>Total transactions with owners</b>	255	2,235,693	427	(10)	2,236,365
<b>At 26 August 2018</b>	1,200	2,329,198	427	(4,121,927)	(1,791,102)

The notes on pages 17 to 35 form part of these financial statements.

**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 26 AUGUST 2018**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>Contributions by and distributions to owners</b>					
Shares issued during the 42 week period to 3 September 2017	945	93,505	-	-	94,450
<b>At 3 September 2017</b>	945	93,505	-	-	94,450
<b>Comprehensive income for the year</b>					
Loss for the period	-	-	-	(2,241,967)	(2,241,967)
Purchase of own shares	-	-	427	(10)	417
Shares issued during the period	682	2,235,693	-	-	2,236,375
Purchase of own shares	(427)	-	-	-	(427)
<b>Total transactions with owners</b>	255	2,235,693	427	(10)	2,236,365
<b>At 26 August 2018</b>	1,200	2,329,198	427	(2,241,977)	88,848

The notes on pages 17 to 35 form part of these financial statements.

**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 26 AUGUST 2018**

	26 August 2018 £	3 September 2017 £
<b>Cash flows from operating activities</b>		
Loss for the financial period	(2,772,802)	(1,349,115)
<b>Adjustments for:</b>		
Amortisation of intangible assets	1,229,358	481,831
Depreciation of tangible assets	458,048	80,094
Impairments of fixed assets	320,811	1,252,213
Loss on disposal of tangible assets	-	207,275
Interest paid	38,716	245,869
Interest received	-	(334)
Taxation charge	251,563	-
(Increase) in stocks	(182,160)	(74,557)
Decrease/(increase) in debtors	184,684	(538,603)
Increase/(decrease) in creditors	998,153	(597,654)
Corporation tax received/(paid)	59,663	(185,213)
<b>Net cash generated from operating activities</b>	<b>586,034</b>	<b>(478,194)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(40,900)	-
Purchase of tangible fixed assets	(250,357)	(2,751,869)
Sale of tangible fixed assets	1,062	-
Purchase of unlisted and other investments	-	(5,387,159)
Purchase of fixed asset investments	(8,357,981)	-
Interest received	-	334
<b>Net cash from investing activities</b>	<b>(8,648,176)</b>	<b>(8,138,694)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	2,236,375	94,450
New secured loans	933,367	10,025,750
Repayment of loans	-	(629,622)
Purchase of debenture loans	4,974,675	-
Other new loans	-	28,319
Repayment of/new finance leases	(13,669)	-
Interest paid	(38,716)	(245,869)
Cash acquired on acquisition of subsidiaries	-	203,507
<b>Net cash used in financing activities</b>	<b>8,092,032</b>	<b>9,476,535</b>
<b>Net increase in cash and cash equivalents</b>	<b>29,890</b>	<b>859,647</b>

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HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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CONSOLIDATED STATEMENT OF CASHFLOWS (CONTINUED)  
FOR THE PERIOD ENDED 26 AUGUST 2018

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	Period ended 26 August 2018 £	42 weeks ended 3 September 2017 £
<b>Net increase in cash and cash equivalents</b>	171,639	859,647
Cash and cash equivalents at beginning of period	<u>859,647</u>	<u>-</u>
<b>Cash and cash equivalents at the end of period</b>	<u><u>1,031,286</u></u>	<u><u>859,647</u></u>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	<u>1,031,286</u>	<u>859,647</u>
	<u><u>1,031,286</u></u>	<u><u>859,647</u></u>

The notes on pages 17 to 35 form part of these financial statements.

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## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 AUGUST 2018

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#### 1. General information

High Road Restaurants Group Holdco Limited is a private company limited by shares incorporated in England and Wales. The registered office is Nower End, Nower Road, Dorking, RH4 3BX.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 16 November 2016.

##### 2.3 Going concern

The company has consolidated net current liabilities of £1,557,157 at the balance sheet date. However, the company is the ultimate parent company of 3 trading subsidiaries, Koh (UK) Limited, Koh Noi Limited and Buenos Aires Restaurants Limited. The directors have considered the assets of the group and the budgets, cashflows and forecasts going forward for a period of at least 12 months. In addition, as noted in the directors strategic review, the net current liabilities are due to a number of non recurring items associated with the acquisition and amalgamation of the company's two trading subsidiaries. Furthermore, the directors have implemented stringent controls over cash in order to ensure that the group is well funded in the event of a consumer downturn. On this basis the directors have deemed it appropriate to prepare the accounts on the going concern basis. In addition, the directors have confirmed the continued support of the group companies, ultimate holding company and its shareholders.

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## **HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 AUGUST 2018**

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#### **2. Accounting policies (continued)**

##### **2.4 Revenue**

Revenue is recognised by the Group in respect of sales of food and drink to customers in the restaurants during the period, net of VAT. Revenue is recognised when the goods and services have been delivered.

##### **2.5 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

##### **2.6 Finance costs**

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

##### **2.7 Borrowing costs**

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

##### **2.8 Pensions**

###### **Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2018

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2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Intangible assets

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	between 5 - 10 years
Other intangible fixed assets	-	10% straight line

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## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 AUGUST 2018

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#### 2. Accounting policies (continued)

##### 2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- over the life of the lease
Plant and machinery	- 15% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 15% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

##### 2.12 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### 2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 AUGUST 2018

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#### 2. Accounting policies (continued)

##### 2.15 Debtors

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

##### 2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 2.17 Creditors

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

##### 2.18 Financial instruments

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

# HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 AUGUST 2018

### 3. Turnover

An analysis of turnover by class of business is as follows:

	Period ended 26 August 2018 £	42 weeks to 3 September 2017 £
Restaurant Income	11,561,735	7,064,720
	<u>11,561,735</u>	<u>7,064,720</u>

All turnover arose within the United Kingdom.

### 4. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Fees payable to group's auditor and its associates for the audit of the annual accounts	105,500	-
Fees payable to the group's auditor in relation to all other services	15,650	-
Loss on disposal of tangible fixed assets	1,062	207,175
Amortisation of intangibles, including goodwill	1,229,358	481,831
Depreciation of tangible fixed assets	456,986	336,633
	<u>1,748,556</u>	<u>825,639</u>

### 5. Employees

	Group 26 August 2018 £	Group 3 September 2017 £	Company 26 August 2018 £	Company 3 September 2017 £
Staff salaries and PHI	4,464,617	2,920,071	-	-
Staff national insurance	360,499	185,436	-	-
Cost of defined contribution scheme	42,834	14,439	-	-
	<u>4,867,950</u>	<u>3,119,946</u>	<u>-</u>	<u>-</u>

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

	2018 No.	2017 No.
Employees	397	307

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**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2018**

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**6. Directors' remuneration**

	2018 £	2017 £
Directors' emoluments	161,230	210,000
Directors pension costs - defined contrib'n sch.	4,241	4,683
Compensation for loss of office as director	107,883	-
	<u>273,354</u>	<u>214,683</u>

**7. Interest receivable**

	Period ended 26 August 2018 £	42 weeks to 3 September 2017 £
Other interest receivable	-	334
	<u>-</u>	<u>334</u>

**8. Interest payable and similar expenses**

	Period ended 26 August 2018 £	42 weeks to 3 September 2017 £
Interest payable	530,554	245,869
	<u>530,554</u>	<u>245,869</u>

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**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2018**

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**9. Taxation**

	Period ended 26 August 2018 £	42 weeks to 3 September 2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	65,499	-
	<u>65,499</u>	<u>-</u>
<b>Total current tax</b>	<u>65,499</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	195,218	(185,213)
Changes to tax rates	(9,154)	-
<b>Total deferred tax</b>	<u>186,064</u>	<u>(185,213)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>251,563</u>	<u>(185,213)</u>

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## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 AUGUST 2018

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#### 9. Taxation (continued)

##### Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	(2,521,239)	(1,534,328)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	(484,294)	(291,522)
<b>Effects of:</b>		
Fixed asset differences	(23,394)	41,896
Expenses not deductible for tax purposes	324,205	392,161
Group relief surrendered	35,915	-
Difference in tax rates	36,678	-
Deferred tax not recognised	362,453	-
Other timing differences	-	(327,748)
<b>Total tax charge for the period/year</b>	<b>251,563</b>	<b>(185,213)</b>

##### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2018**

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**10. Intangible assets**

**Group**

	Development expenditure £	Brand £	Goodwill £	Total £
<b>Cost</b>				
At 4 September 2017	-	71,000	6,599,786	6,670,786
On acquisition of subsidiaries	-	-	407,816	407,816
Additions	40,900	359,110	7,199,822	7,599,832
At 26 August 2018	40,900	430,110	14,207,424	14,678,434
<b>Amortisation</b>				
At 4 September 2017	-	-	481,831	481,831
Charge for the year	40,900	28,048	1,160,410	1,229,358
At 26 August 2018	40,900	28,048	1,642,241	1,711,189
<b>Net book value</b>				
At 26 August 2018	-	402,062	12,565,183	12,967,245
At 3 September 2017	-	71,000	6,117,955	6,188,955

**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2018**

**11. Tangible fixed assets**

**Group**

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £
<b>Cost or valuation</b>				
At 4 September 2017	2,276,818	943,039	62,302	103,547
Additions	132,486	54,870	-	51,315
Acquisition of subsidiary	582,479	144,616	-	130,957
Disposals	-	-	-	-
At 26 August 2018	<u>2,991,783</u>	<u>1,142,525</u>	<u>62,302</u>	<u>285,819</u>
<b>Depreciation</b>				
At 4 September 2017	1,142,678	233,843	53,133	64,439
Charge for the period	199,119	157,043	7,919	48,036
Impairment charge	71,508	170,552	1,250	16,011
At 26 August 2018	<u>1,413,305</u>	<u>561,438</u>	<u>62,302</u>	<u>128,486</u>
<b>Net book value</b>				
At 26 August 2018	<u>1,578,478</u>	<u>581,087</u>	<u>-</u>	<u>157,333</u>
At 3 September 2017	<u>1,134,140</u>	<u>709,196</u>	<u>9,169</u>	<u>39,108</u>

**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2018**

**11. Tangible fixed assets (continued)**

	Office equipment £	Computer equipment £	Other fixed assets £	Total £
<b>Cost or valuation</b>				
At 4 September 2017	69,130	125,153	1,062	3,581,051
Additions	6,263	5,423	-	250,357
Acquisition of subsidiary	39,877	-	-	897,929
Disposals	-	-	(1,062)	(1,062)
At 26 August 2018	115,270	130,576	-	4,728,275
<b>Depreciation</b>				
At 4 September 2017	11,614	76,469	-	1,582,176
Charge for the period	19,364	25,505	-	456,986
Impairment charge	44,879	16,611	-	320,811
At 26 August 2018	75,857	118,585	-	2,359,973
<b>Net book value</b>				
At 26 August 2018	39,413	11,991	-	2,368,302
At 3 September 2017	57,516	48,684	1,062	1,998,875

# HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 AUGUST 2018

### 12. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 4 September 2017	1
At 26 August 2018	<u>1</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
High Road Restaurants Group Bidco Limited	United Kingdom	Ordinary	100%
The Thai Tapas Group Limited	United Kingdom	Ordinary	100%
Koh (UK) Limited	United Kingdom	Ordinary	100%
Koh Noi Limited	United Kingdom	Ordinary	100%
Koh Noi (Christchurch) Limited	United Kingdom	Ordinary	100%
Koh Lounge Limited	United Kingdom	Ordinary	100%
Thai Tapas Restaurants Limited	United Kingdom	Ordinary	100%
Koh Thai Tapas Limited	United Kingdom	Ordinary	100%
Thai Tapas Limited	United Kingdom	Ordinary	100%
Koh Thai Tapas Ringwood Limited	United Kingdom	Ordinary	100%
Koh Thai Tapas Winchester Limited	United Kingdom	Ordinary	100%
The Koh Foundation	United Kingdom	Ordinary	100%
Buenos Aires Restaurant Holdings Limited	United Kingdom	Ordinary	100%
Buenos Aires Restaurants Limited	United Kingdom	Ordinary	100%

### 13. Stocks

	Group 26 August 2018 £	Group 3 September 2017 £
Finished goods and goods for resale	232,421	149,141
	<u>232,421</u>	<u>149,141</u>

**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2018**

**14. Debtors**

	Group 26 August 2018 £	Group 3 September 2017 £	Company 26 August 2018 £	Company 3 September 2017 £
<b>Due after more than one year</b>				
Loan note receivables	425	-	425	-
	<u>425</u>	<u>-</u>	<u>425</u>	<u>-</u>
	Group 26 August 2018 £	Group 3 September 2017 £	Company 26 August 2018 £	Company 3 September 2017 £
<b>Due within one year</b>				
Trade debtors	64,487	21,373	-	-
Amounts owed by group undertakings	-	-	-	6,228
Other debtors	486,718	714,941	88,422	88,222
Deferred taxation	174,803	419,666	-	-
	<u>726,008</u>	<u>1,155,980</u>	<u>88,422</u>	<u>94,450</u>

**15. Creditors: Amounts falling due within one year**

	Group 26 August 2018 £	Group 3 September 2017 £	Company 26 August 2018 £	Company 3 September 2017 £
Bank loans	364,300	-	-	-
Trade creditors	651,391	793,735	-	-
Amounts owed to group undertakings	-	-	-	1
Corporation tax	125,162	-	-	-
Other taxation and social security	923,524	320,284	-	-
Other creditors	1,482,920	439,175	-	-
	<u>3,547,297</u>	<u>1,553,194</u>	<u>-</u>	<u>1</u>

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HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2018

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16. Creditors: Amounts falling due after more than one year

	Group 26 August 2018 £	Group 3 September 2017 £
Debentures loans	15,000,425	10,025,750
Bank loans	569,067	-
Net obligations under finance leases and hire purchase contracts	-	13,669
Other creditors	-	14,650
	<u>15,569,492</u>	<u>10,054,069</u>

As a condition of the bank loans, the bank holds securities over all assets of Buenos Aires Restaurants Limited and Buenos Aires Restaurant Holdings Limited.

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**HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2018**

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**17. Deferred taxation**

**Group**

	2018 £
At beginning of year	419,666
Charged to profit or loss	(182,485)
Acquired from subsidiaries	(62,378)
<b>At end of year</b>	<b>174,803</b>

	Group 26 August 2018 £	Group 3 September 2017 £
Net fixed asset timing differences	(99,157)	(156,512)
Net short term timing differences	1,283	-
Net losses and deductions timing differences	369,743	576,178
Losses not recognised	(97,066)	-
	<b>174,803</b>	<b>419,666</b>

**18. Share capital**

	26 August 2018 £	3 September 2017 £
<b>Allotted, called up and fully paid</b>		
57,500 (2017 - 51,800) Ordinary A shares of £0.01 each	575	518
Nil (2017 - 6,200) Ordinary B shares of £0.01 each	-	62
Nil (2017 - 36,500) Ordinary C shares of £0.01 each	-	365
20,000 (2017 - nil) T shares of £0.01 each	200	-
42,500 (2017 - nil) Ordinary A2 shares of £0.01 each	425	-
	<b>1,200</b>	<b>945</b>

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## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 AUGUST 2018

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#### **18. Share capital (continued)**

On 2 February 2018, the company redeemed 6,200 Ordinary B shares and 36,500 Ordinary C shares with a nominal value of £0.01 each.

On 2 February 2018, the company issued 20,000 T shares for £0.01 each with a nominal value of £0.01 each.

On 2 February 2018, the company issued 5,728 Ordinary A shares for £390.32 each and a nominal value of £0.01 each.

On 2 February 2018, the company issued 42,500 Ordinary A2 shares with a nominal value of £0.01 each in exchange for loan notes held in High Road Restaurants Group Bidco Limited.

The A shares and A2 shares have equal rights to voting and dividends whereas the T shares are non-voting, have limited rights to dividends and are non-redeemable.

#### **19. Reserves**

##### **Share premium account**

The share premium represents the amount paid for shares in the company in excess of their nominal value.

##### **Profit and loss account**

The profit and loss account represents accumulated comprehensive income for the period.

## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 AUGUST 2018

#### 20. Business combinations

On 2 February 2018 High Road Restaurants Group Bidco acquired 100% of the ordinary shares in Buenos Aires Restaurant Holdings Limited and its subsidiary undertaking for consideration of £6,871,425.

#### Recognised amounts of identifiable assets acquired and liabilities assumed

	26 August Book value £	3 September Fair value £
Tangible	897,929	897,929
Intangible	407,816	407,816
	<u>1,305,745</u>	<u>1,305,745</u>
Stocks	98,880	98,880
Debtors	218,842	218,842
Cash at bank and in hand	616,798	616,798
Due within one year	(2,927,772)	(2,927,772)
<b>Total identifiable net liabilities</b>	<u>(687,507)</u>	<u>(687,507)</u>
Goodwill		7,558,932
<b>Total purchase consideration</b>		<u><u>6,871,425</u></u>

#### Consideration

	£
Cash	2,383,600
Loan notes	4,500,425
Consideration adjustment	(12,600)
<b>Total purchase consideration</b>	<u><u>6,871,425</u></u>

#### Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	2,383,600
Less: Cash and cash equivalents acquired	(616,798)
<b>Net cash outflow on acquisition</b>	<u><u>1,766,802</u></u>

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## HIGH ROAD RESTAURANTS GROUP HOLDCO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 AUGUST 2018

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#### 20. Business combinations (continued)

The intangible fixed assets are in relation to goodwill.

The revenue included in the consolidated income statement arising from Buenos Aires Restaurant Holdings Limited and its subsidiaries was £3,094,589. The profit for the period included in the consolidated income statement arising from Buenos Aires Restaurant Holdings Limited and its subsidiaries was £110,414.

#### 21. Commitments under operating leases

At 26 August 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 26 August 2018 £	Group 3 September 2017 £
Not later than 1 year	975,694	586,122
Later than 1 year and not later than 5 years	3,720,280	2,229,282
Later than 5 years	6,547,743	5,237,862
	<u>11,243,717</u>	<u>8,053,266</u>

#### 22. Related party transactions

The company has taken advantage of the exemptions of disclosing transactions with related companies under the provision of Section 33 of Financial Reporting Standard 102.

#### 23. Controlling party

The ultimate parent entity and controlling party is The Fourth Alcuin Fund LP.