Thursdays (UK) Limited

Annual report and financial statements

Registered number 06034603

Period ending 1 January 2017

Contents

Strategic Report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditors' report, for the 53 week period ending to 1 January 2017.

Principal activities

The principal activities of the Company comprise a franchise which provides full service restaurants, offering an authentic American casual dining experience.

Business review and future developments

During the 53 week period ending 1 January 2017, the Company reported sales of £211.0m (52 weeks ended 27 December 2015: £190.3), which represents a 7.7% increase in underlying sales (2015: 9.1%) and a (2.7%) decline on a like-for-like basis (2015: 1.1% increase). This resulted in EBITDA (before share based payment expenses and impact of the onerous lease provision utilisation) growing to £33.2m in the period (2015: £30.1m), an increase of 10.3%. The Company's operating cash flows during the period saw cash inflows of £6.4m and ended the period with a cash position of £15.3m (2015: £8.9m). The actions taken by the Company in the period have seen a return to underlying growth in like-for-like sales in recent months which is in line with the directors' expectations and the current economic climate.

During the period the Company opened five new sites and all recent acquisitions are performing in line with expectations. The Company continues to actively seek new sites. The Company expects the core estate to perform strongly in 2017 and beyond with further growth from new sites.

Principal risks and uncertainties

The management of the business and the execution of the business strategy are subject to a number of risks. These risks are formally reviewed by the Board and appropriate processes and controls are implemented to monitor and mitigate them. The key business risks affecting the Company are set out below.

Dependence on key executives and personnel
The Company's future success depends on the ability of management and key staff to operate effectively both individually and as a Company. In order to mitigate this risk the Company operates a remuneration policy designed to attract and retain suitably qualified personnel, along with extensive training programmes.

Economic Environment and Competition
The Restaurant market has proved attractive to numerous new entrants in the period (13.5% growth in food-led licensed venues in the last 3 years) and with the recent referendum and UK legislation the pressures on the restaurant sector are significant. The Company have mitigated this risk through several strategic cost initiatives and investing heavily in guest experience and other revenue opportunities to enhance the USP of the Brand to combat new entrants.

Principal Credit risk
The Company's principal financial assets are bank balances and cash, trade and other receivables. The business has minimal concentration of credit risk, with exposure spread over a large number of counterparties and customers, which mitigates its exposure to risk.

Price risk
The Company is exposed to commodity price risk. To mitigate this risk the Company has dedicated personnel, supplemented where appropriate with outside professionals, to manage its exposure to commodity price risk.

Strategic Report (continued)

Principal Risks and uncertainties (continued)

Liquidity risk
In order to maintain liquidity, to ensure that sufficient funds are available for on-going operations and future developments, the Company uses a mixture of long-term finance and short term working capital.

Safety risk
The Group continues to have the safety of the guest as paramount and is one of the Company's key values. This is administered through the Executive and High Five's committee to focus on all aspects of safety.

Going concern
The Directors have acknowledged the latest guidance on going concern. Whilst the current volatility in financial markets has created general economic uncertainty, the Company is profitable and has managed external debt effectively. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully in the current economic climate.

The directors have concluded there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern: Thus they continue to adopt the going concern basis in preparing the financial statements.

The Directors are cognisant of the inherent risks in the business but believe appropriate steps are in place to mitigate them. The Directors are confident in the ability of the Company's management and staff to ensure a profitable period ahead.

Approved by the Board and signed on its behalf by

By order of the board

Karen Forrester
Director
22 June 2017

Wey House, Farnham Road, Guildford, GU1 4YD

Directors' report

The directors present their report and the audited financial statements of the company for the 53 week period ended 1 January 2017. As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 1. These matters relate to principal activities, business review, future developments and risks and uncertainties.

Directors

There were two directors of the Company for the 53 week period ending 1 January 2017.
The directors, who served throughout the period and to the date of signing this report, were as follows:

Ms Karen Forrester
Mr Stuart Greener

Disabled employees

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

Employee consultation

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

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Going concern

The company's business activities together with the factors likely to affect its future development, performance, and position are set out in the sections above and in the Strategic Report. The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future being a period of 12 months from signing these financial statements. Accordingly, they continue to adopt the going concern basis.

Statement of directors' responsibilities in respect of the financial statements

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 year. Under that law the directors have prepared the 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 company and of the profit or loss of the company for that period. In preparing the 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each director in office at the date the Directors' Report is approved:

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

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Approved by the Board and signed on its behalf by

By order of the board

Karen Forrester
Director
22 June 2017

Wey House, Farnham Road, Guildford, GU1 4YD

Independent auditors' report to the members of Thursdays (UK) Limited

Report on the financial statements

Our opinion

In our opinion, Thursdays (UK) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 1 January 2017 and of its profit for the year 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 1 January 2017;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Matthew Mullins

Matthew Mullins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
13 July 2017.

Profit and Loss Account
for the period ended 1 January 2017

	Note	**2016 Total £000**	2015 Total £000
Turnover	*2*	**211,007**	190,297
Cost of sales		**(48,085)**	(43,816)
Gross profit		**162,922**	146,481
Administrative expenses		**(142,540)**	(126,652)
Other operating income	*3*	**613**	586
Operating profit	*4*	**20,995**	20,415
Interest receivable and similar income	*8*	**46**	45
Interest payable and similar charges	*9*	**(35)**	(173)
Profit on ordinary activities before taxation		**21,006**	20,287
Tax on profit on ordinary activities	*10*	**(2,441)**	(1,190)
Profit for the financial year		**18,565**	19,097
Other Comprehensive income			
Comprehensive income		-	-
Total Comprehensive income		**18,565**	19,097

All of the activities of the Company are classed as continuing.

The notes on pages 10 to 21 form part of these financial statements.

Balance Sheet
As at 1 January 2017

	Note	2016 £000	£000	2015 £000	£000
Fixed assets					
Intangible assets					
Goodwill	*11*	**4,438**		5,296	
Tangible assets	*12*	**60,635**		58,414	
			65,073		63,710
Current assets					
Stocks	*13*	**1,217**		1,267	
Debtors	*14*	**26,101**		17,952	
Cash at bank and in hand	*15*	**15,305**		8,887	
		42,623		28,106	
Creditors: amounts falling due within one year	*16*	**(24,819)**		(26,862)	
Net current assets			**17,804**		1,244
Total assets less current liabilities			**82,877**		64,954
Provisions for liabilities					
Deferred tax liability	*17*	**(412)**		(1,135)	
Other provisions	*18*	**(1,542)**		(1,667)	
			(1,954)		(2,802)
Net assets			**80,923**		62,152
Capital and reserves					
Called up share capital	*19*		**-**		-
Other reserves			**547**		341
Profit and loss account			**80,376**		61,811
Shareholders' funds			**80,923**		62,152

The financial statements on pages 7 to 21 were approved by the Board of Directors on 22 June 2017 and signed on its behalf on 22 June 2017 by:

Karen Forrester
Director
Company registered number: 06034603

Statement of Changes in Equity

	Called up Share capital	Other reserves	Profit and loss account	Total shareholders' deficit
	£000	£000	£000	£000
Balance at 28 December 2014	-	-	42,714	42,714
Profit for the financial period	-	-	19,097	19,097
Equity-settled share based payment transactions	-	341	-	341
Balance at 27 December 2015	**-**	**341**	**61,811**	**62,152**
Profit for the financial period	**-**	**-**	**18,565**	**18,565**
Equity-settled share based payment transactions	**-**	**206**	**-**	**206**
Balance at 1 January 2017	**-**	**547**	**80,376**	**80,923**

Notes to the financial statements

1 Accounting policies

1.1 General information

Thursdays (UK) Limited (the "Company") is a company limited by shares and is incorporated and domiciled in the UK. The Company holds the right to operate a franchise which provides full service restaurants offering an authentic American casual dining experience.

1.2 Statement of compliance

The individual financial statements of Thursdays (UK) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Report Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.4 Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies.

1.5 Going concern

The company's business activities together with the factors likely to affect its future development, performance, and position are set out in the sections above and in the Strategic Report. The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future being a period of 12 months from signing these financial statements. Accordingly, they continue to adopt the going concern basis.

1.6 Consolidated financial statements

The company is a wholly owned subsidiary of Thursdays (Holdings) Limited and of its ultimate parent company Mondays (Topco) Limited. It is included in the consolidated financial statements of Mondays (Topco) Limited which are publically available. Therefore the company is exempt by virtue of section 400 of Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the Company's separate financial statements.

Notes to the financial statements (continued)

Accounting policies *(continued)*

1.7 Exemptions for qualifying entities under FRS 102

Statement of cash flows

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Mondays (Topco) Limited, includes the company's cash flows in its own consolidated financial statements.

Share based payments

The company has taken advantage of the exemption to omit certain disclosures in relation to share based payments on the basis that it is a qualifying entity.

Related party transactions

As the company is a wholly owned subsidiary of Mondays (Topco) Limited, the company has taken advantage of the exemptions contained in Financial Reporting Standard 102 section 33 and has, therefore, not disclosed transactions or balances with entities which form part of the group.

1.8 Foreign currency

(a) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

1.9 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each tangible fixed asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

- Short term leasehold Lease term
- plant and machinery 3 to 8 years
- fixtures and fittings 4 to 20 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change in the pattern by which the company expects to consume an asset's future economic benefits since last annual reporting date.

1.10 Goodwill

Goodwill relates to the acquisition of operating rights and is being amortised over a period of 15 years.

1.11 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Share-based payment transactions

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

Where the Company is part of a group share-based payment plan, it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group.

Notes to the financial statements *(continued)*

Accounting policies *(continued)*

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

1.13 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.14 Turnover

Turnover represents amounts receivable for goods and for services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes and is recognised at the point of sale.

All turnover is generated in the restaurant sector in the United Kingdom and Jersey.

1.15 Expenses

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges is the unwinding of the discount on provisions.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.16 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.17 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

Critical accounting estimates and assumptions

The company makes estimations and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Store closure provisions

Where a restaurant becomes vacant or management take a decision to vacate the property early, the company provides for all unavoidable costs, net of anticipated cash inflows.

Impairment

The company impairs its tangible assets for non-profit making restaurants, based on each restaurants ability to cover its overheads.

Dilapidation

The restaurant units are leased based on a defined number of years, the estimated dilapidation cost are calculated based on the historical dilapidation payments made for restaurants where the lease has come to an end.

Notes to the financial statements *(continued)*

2 Turnover

	2016	2015
	£000	£000
Analysis of turnover by category:		
Sale of food and drink	**211,007**	190,297
Total turnover	**211,007**	190,297

	2016	2015
Analysis of turnover by geography:	**£000**	£000
United Kingdom	**209,728**	188,796
Jersey	**1,279**	1,501
	211,007	190,297

3 Other operating income

	2016	2015
	£000	£000
Rental income	**613**	586
	613	586

4 Operating profit

Operating profit is stated after charging:

	2016	2015
	£000	£000
Amortisation of intangible fixed assets	**858**	860
Depreciation of tangible fixed assets	**9,148**	8,326
Impairment of tangible fixed assets	**2,166**	-
Audit of these financial statements	**61**	61
Share based payment charge	**206**	341

Notes to the financial statements *(continued)*

5 Staff numbers and costs

The monthly average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2016	2015
Sales	**2,715**	2,547
Admin	**482**	446
	3,197	2,993

The aggregate payroll costs of these persons were as follows:

	2016	2015
	£000	£000
Wages and salaries	**57,997**	50,855
Share based payments	**206**	341
Social security costs	**3,487**	3,126
Other pension costs	**686**	573
	62,376	54,895

6 Directors' remuneration

The directors' remuneration for the current and prior period was borne by a group company.

7 Employee benefits

Share based payments

The Company operates a share based payment scheme for its employees. Certain employees participate in the key employee share scheme which provides additional remuneration for those employees who are key to the operations of the Company. The shares were granted as a result of the Company's acquisition by Electra Partners LLP in December 2014, employees hold these shares subject to continued employment within the Company.

The fair value of employee share options is measured using a model based on the expected company performance and market conditions at the estimated time of undergoing refinancing. In the absence of an observable market or entity specific observable market data, this model is considered to be the most appropriate.

The total expenses recognised for the year by the Company from share-based payments are as follows:

	2016	2015
	£000	£000
Total share based payment expense	**206**	341

Notes to the financial statements *(continued)*

8 Interest receivable and similar income

	2016 £000	2015 £000
Interest receivable on financial assets	**46**	45
	46	45

9 Interest payable and similar charges

	2016 £000	2015 £000
Unwind of discount on provisions	**27**	168
Other interest payable	**8**	5
	35	173

10 Tax on profit on ordinary activities

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2016 £000	£000	2015 £000	£000
Current tax				
Current tax on income for the period	**2,572**		1,980	
Adjustments in respect of prior periods	**583**		(790)	
Total current tax		**3,155**		1,190
Deferred tax				
Origination and reversal of timing differences	**(397)**		101	
Change in tax rate	**(48)**		-	
Adjustments in respect of prior periods	**(269)**		(101)	
		(714)		-
Total tax		**2,441**		1,190

Notes to the financial statements *(continued)*

10 Tax on profit on ordinary activities *(continued)*

Reconciliation of effective tax rate

	2016	2015
	£000	£000
Profit for the financial year	**18,565**	19,097
Tax on profit on ordinary activities	**2,441**	1,190
Profit on ordinary activities before tax	**21,006**	20,287
Tax using the UK corporation tax rate of 20.00 % (2015: 20.25%)	**4,201**	4,108
Fixed asset differences	**108**	-
Adjustments to brought forward values	**41**	-
Non-deductible expenses	**435**	654
Adjustments in respect of prior periods	**583**	(890)
Adjustments in respect of prior periods – Deferred tax	**(269)**	-
Group relief not paid for	**(2,681)**	(2,620)
Impact of rate difference between current and deferred tax	**23**	(61)
Total tax expense included in profit or loss	**2,441**	1,190

The company earns its profits in the UK, therefore the tax rate used for profit on ordinary activities is the standard rate of corporation tax, currently 20.00%, down from 20.25% in the previous period. The decrease is due to the UK rate of corporation tax dropping from 21% to 20% in April 2015.

Notes to the financial statements *(continued)*

11 Goodwill

	Goodwill £000
Cost	
Balance at 28 December 2015 and 1 January 2017	12,884
Accumulated amortisation and impairment	
Balance at 28 December 2015	7,588
Amortisation for the year	858
Balance at 1 January 2017	8,446
Net book value	
At 27 December 2015	5,296
At 1 January 2017	**4,438**

Amortisation charge

The amortisation charge is recognised in the following line items in the profit and loss account:

	2016 £000	2015 £000
Administrative expenses	**858**	860
	858	860

Notes to the financial statements *(continued)*

12 Tangible fixed assets

	Short term leasehold £000	Fixtures and fittings £000	Plant and Machinery £000	Total £000
Cost				
Balance at 28 December 2015	11,887	56,588	32,317	100,792
Additions	-	8,077	5,450	13,527
Balance at 1 January 2017	11,887	64,665	37,767	114,319
Accumulated depreciation and impairment				
Balance at 28 December 2015	7,474	15,487	19,409	42,370
Depreciation charge for the year	1,481	3,555	4,112	9,148
Impairment charge for the year	-	2,166	-	2,166
Balance at 1 January 2017	8,955	21,208	23,521	53,684
Net book value				
At 27 December 2015	4,413	41,101	12,900	58,414
At 1 January 2017	**2,932**	**43,457**	**14,246**	**60,635**

13 Stocks

	2016	2015
	£000	£000
Raw materials	**1,217**	1,267

14 Debtors

	2016 £000	2015 £000
Trade debtors	611	567
Amounts owed by group undertakings	18,215	10,054
Prepayments and accrued income	7,275	7,331
	26,101	**17,952**

All amounts shown under debtors fall due for payment within one year.

Notes to the financial statements *(continued)*

15 Cash at bank and in hand

	2016	2015
	£000	£000
Cash at bank and in hand	**15,305**	8,887

16 Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	5,851	9,007
Taxation and social security	4,471	6,514
Other creditors	1,277	1,035
Accruals and deferred income	12,763	10,047
Interest payable	152	85
Amounts owed to group undertakings	305	174
	24,819	26,862

Notes to the financial statements *(continued)*

17 Deferred tax liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2016	2015	**2016**	2015	**2016**	2015
	£000	£000	**£000**	£000	**£000**	£000
Temporary differences	**124**	9	**-**	-	**124**	9
Difference between depreciation and capital allowances	**-**	-	**(536)**	(1,144)	**(536)**	(1,144)
Net tax assets / (liabilities)	**124**	9	**(536)**	(1,144)	**(412)**	(1,135)

18 Provisions

	Operating provisions £000	Onerous lease £000	Total £000
Balance at 28 December 2015	425	1,242	1,667
Provisions made during the year	205	-	205
Provisions used during the year	-	(357)	(357)
Unwinding of discounted amount	-	27	27
Balance at 1 January 2017	**630**	**912**	**1,542**

All operating provisions relate to short term liabilities which are expected to be settled within the next 12 months.

Notes to the financial statements *(continued)*

19 Called Up Share capital

	2016 £000	2015 £000
Allotted, called up and fully paid		
100 (2015: 100) ordinary shares of £1 each	-	-

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

20 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2016 £000	2015 £000
Less than one year	**19,820**	17,960
Between one and five years	**55,111**	49,888
More than five years	**165,532**	159,059
	240,463	226,907

During the year £19,882,680 was recognised as an expense in the profit and loss account in respect of operating leases (2015: £16,637,963).

21 Commitments

Capital commitments

The Company has contractual commitments to purchase tangible fixed assets at the year-end of £1,290,000 (2015: £3,229,000).

22 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Thursdays (Holdings) Limited. The ultimate controlling party is Electra Partners LLP.

The largest group in which the results of the Company are consolidated is that headed by Mondays (Topco) Limited, incorporated in the UK. No other group financial statements include the results of the Company. The consolidated financial statements of Mondays (Topco) Limited are available to the public and may be obtained from Companies House.