

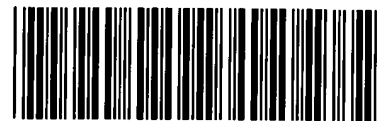
Registration number: 03092239

# Bella Pasta Limited

Annual Report and Financial Statements

for the 52 weeks ended 29 May 2016

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## **Bella Pasta Limited**

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## **Bella Pasta Limited**

### **Company Information**

<b>Directors</b>	S Richards T Doubleday
<b>Registered office</b>	1st Floor 163 Eversholt Street London NW1 1BU
<b>Solicitors</b>	Taylor Wessing 5 New Street Square London EC4A 3TW
<b>Bankers</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP
<b>Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

## **Bella Pasta Limited**

### **Directors' Report for the 52 week period ended 29 May 2016**

The Directors present their annual report and the audited financial statements of Bella Pasta Limited ('the Company') for the 52 week period ended 29 May 2016. The comparatives are for the 52 week period ended 31 May 2015.

#### **Directors of the Company**

The directors of the Company who were in office during the period and up to the date of signing the financial statements were:

S Richards

T Doubleday

#### **Principal activity**

The principal activity of the Company is that of operating restaurants. There has been no change in this activity during the period.

#### **Results and dividends**

The profit for the period amounted to £277,013 (2015: loss of £642,481). The Directors do not propose the payment of a dividend (2015: £nil).

An exceptional credit of £42,527 was recognised by the Company for the 52 week period ended 29 May 2016 (2015: £271,764 cost). These items were outside the normal operations of the Company and related to reorganisation costs offset by the release of an onerous lease provision.

#### **Review of developments and future prospects**

The Company will continue to operate restaurants for the foreseeable future.

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

From the perspective of the Company, its principal risks and uncertainties are integrated with the principal risks of Casual Dining Bidco Limited and its subsidiaries ('the Group') of which the Company is a member and are not managed separately. The principal risks and uncertainties of the Group are disclosed in Casual Dining Bidco Limited's consolidated financial statements which does not form part of this report.

#### **Key Performance Indicators**

The Directors of Casual Dining Bidco Limited manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Bella Pasta Limited. The development, performance and position of the business of the Group is discussed within the Strategic and Directors' Reports of Casual Dining Bidco Limited's consolidated financial statements which does not form part of this report.

#### **Financial risk management**

From the perspective of the Company, the financial risks of the Company are integrated with the financial risks of the Group and are not managed separately. Accordingly, the management of the financial risks of the Group, which include those of the Company, are disclosed in Casual Dining Bidco Limited's consolidated financial statements which does not form part of this report.

#### **Employee involvement**

The Board recognises the importance of employees being fully informed of events which directly affect them and their working conditions. The Company has in place a number of channels of communication including regular team and area meetings, weekly and monthly publications and a company intranet. In addition, the management board carries out two business updates a period with all restaurant managers.

## **Bella Pasta Limited**

### **Directors' Report for the 52 week period ended 29 May 2016 (continued)**

#### **Employment of disabled persons**

The Company's policy is that, wherever it is practicable and reasonable within existing legislation, all employees, including disabled persons, are treated in the same way in matters relating to employment, training, career development and promotion. Every effort is made to retain and assist any individuals disabled during their employment. Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

#### **Going concern**

The Directors believe that preparing financial statements on the going concern basis is appropriate due to the continued financial support of Casual Dining Bidco Limited. The Directors have received confirmation that Casual Dining Bidco Limited intend to support the Company for at least one year after these financial statements are signed.

#### **Strategic Report exemption**

The Company qualifies for the small company exemption under the Companies Act 2006 and therefore has not prepared a Strategic Report.

## **Bella Pasta Limited**

### **Directors' Report for the 52 week period ended 29 May 2016 (continued)**

#### **Statement of Directors responsibilities**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

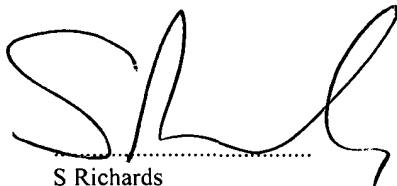
#### **Disclosure of information to the auditors**

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **Reappointment of auditors**

The auditors PricewaterhouseCoopers LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 11 April 2017 and signed on its behalf by:



S Richards  
Director

# ***Independent auditors' report to the members of Bella Pasta Limited***

## ***Report on the financial statements***

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### **Our opinion**

In our opinion, Bella Pasta Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 29 May 2016 and of its profit for the 52 week period (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.

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### **What we have audited**

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

- the Statement of Financial Position as at 29 May 2016;
- the Statement of Comprehensive Income for the period then ended;
- the Statement of Changes in Equity for the period 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 101 "Reduced Disclosure Framework", 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.

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

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

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### **Other matters on which we are required to report by exception**

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#### **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.

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#### **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.

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#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

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## **Responsibilities for the financial statements and the audit**

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### **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.

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### **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.



Rachel Savage (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

11 April 2017



**Bella Pasta Limited**

**Statement of Comprehensive Income for the 52 weeks ended 29 May 2016**

		Before exceptional items	Exceptional items	Total	Before exceptional items	Exceptional items	Total
	Note	52 weeks ended 29 May 2016 £	52 weeks ended 29 May 2016 £	52 weeks ended 29 May 2016 £	52 weeks ended 31 May 2015 £	52 weeks ended 31 May 2015 £	52 weeks ended 31 May 2015 £
Revenue	3	2,196,461	-	2,196,461	3,758,541	-	3,758,541
Cost of sales		<u>(1,824,120)</u>	-	<u>(1,824,120)</u>	<u>(3,503,167)</u>	-	<u>(3,503,167)</u>
Gross profit		372,341	-	372,341	255,374	-	255,374
Administrative expenses		<u>(137,855)</u>	<u>42,527</u>	<u>(95,328)</u>	<u>(626,091)</u>	<u>(271,764)</u>	<u>(897,855)</u>
Operating profit/(loss)		<u>234,486</u>	<u>42,527</u>	<u>277,013</u>	<u>(370,717)</u>	<u>(271,764)</u>	<u>(642,481)</u>
Profit/(loss) on ordinary activities before tax		234,486	42,527	277,013	(370,717)	(271,764)	(642,481)
Tax on profit/(loss) on ordinary activities	9	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(loss) for the period and total comprehensive income/(expense)		<u>234,486</u>	<u>42,527</u>	<u>277,013</u>	<u>(370,717)</u>	<u>(271,764)</u>	<u>(642,481)</u>

The above results were derived from continuing operations.

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

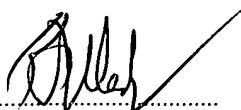
# Bella Pasta Limited

(Registration number: 03092239)

## Statement of Financial Position as at 29 May 2016

	Note	29 May 2016 £	31 May 2015 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	560,112	553,401
Investments in subsidiaries	11	<u>6</u>	<u>6</u>
		<u>560,118</u>	<u>553,407</u>
<b>Current assets</b>			
Inventories	12	19,058	18,003
Trade and other receivables	13	26,616	60,168
Prepayments		31,013	97,696
Cash and cash equivalents		<u>-</u>	<u>50</u>
		<u>76,687</u>	<u>175,917</u>
<b>Total assets</b>		<u>636,805</u>	<u>729,324</u>
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	18	(4,643,397)	(4,936,974)
Provisions for other liabilities and charges	17	<u>(73,551)</u>	<u>(149,506)</u>
<b>Total liabilities</b>		<u>(4,716,948)</u>	<u>(5,086,480)</u>
<b>Net liabilities</b>		<u>(4,080,143)</u>	<u>(4,357,156)</u>
<b>Equity</b>			
Ordinary shares	14	5,380	5,380
Share premium		820,081	820,081
Capital redemption reserve		150,350	150,350
Accumulated deficit		<u>(5,055,954)</u>	<u>(5,332,967)</u>
<b>Total equity</b>		<u>(4,080,143)</u>	<u>(4,357,156)</u>
<b>Total equity and liabilities</b>		<u>636,805</u>	<u>729,324</u>

These financial statements on pages 7 to 21 were approved by the Board of Directors on 11 April 2017 and signed on its behalf by:



T Doubleday

Director

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

**Bella Pasta Limited**

**Statement of Changes in Equity for the 52 weeks ended 29 May 2016**

	Ordinary shares £	Share premium £	Capital redemption reserve £	Accumulated deficit £	Total equity £
At 2 June 2014	5,380	820,081	150,350	(4,690,486)	(3,714,675)
Loss for the period	-	-	-	(642,481)	(642,481)
Total comprehensive expense	-	-	-	(642,481)	(642,481)
At 31 May 2015	5,380	820,081	150,350	(5,332,967)	(4,357,156)
	Ordinary shares £	Share premium £	Capital redemption reserve £	Accumulated deficit £	Total equity £
At 1 June 2015	5,380	820,081	150,350	(5,332,967)	(4,357,156)
Profit for the period	-	-	-	277,013	277,013
Total comprehensive income	-	-	-	277,013	277,013
At 29 May 2016	5,380	820,081	150,350	(5,055,954)	(4,080,143)

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

## **Bella Pasta Limited**

### **Notes to the Financial Statements for the 52 weeks ended 29 May 2016**

#### **1 General information**

Bella Pasta Limited ("the Company") is incorporated in the United Kingdom. The registered office is 1st Floor, 163 Eversholt Street, London NW1 1BU. The Company is a subsidiary of Casual Dining Bidco Limited which forms one of the largest mid-market restaurant operators in the UK with 286 restaurants as at 29 May 2016, operating primarily under the Café Rouge, Bella Italia, Las Iguanas, and La Tasca brands.

Information on the ultimate parent of the Company is provided in Note 20.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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 periods presented, unless otherwise stated.

##### **Basis of preparation**

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared on the going concern basis and under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

These are the first Company financial statements prepared under FRS 101. For the 52 weeks ended 31 May 2015 the Company prepared its financial statements in accordance with UK generally accepted accounting principles ("UK GAAP"). The transition from UK GAAP to FRS 101 has had no impact on the Company's reported financial position and statement of comprehensive income.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The functional and presentational currency of the Company is pounds sterling.

##### **Summary of disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- IAS 7 "Statement of cash flows"
- Paragraph 30 of IAS 8 "Accounting policies, changes in accounting estimates and errors" (disclosure of standard issued but not yet adopted)
- IFRS 7 "Financial instruments: Disclosures"
- Paragraph 17 of IAS 24, "Related party disclosures" (key management compensation)
- The requirements in IAS 24, "Related party disclosures" to disclose related party transactions entered into between two or more members of a group.
- Paragraphs 6 and 21 of IFRS 1 "First-time adoption of International Financial Reporting Standards" (requirement to present opening statement of financial position).

## **Bella Pasta Limited**

### **Notes to the Financial Statements for the 52 weeks ended 29 May 2016 (continued)**

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

##### **Exemption from preparing Group financial statements**

The Company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 and has not prepared Group financial statements. Casual Dining Bidco Limited is registered in England and Wales and has drawn up consolidated financial statements for the period ending 29 May 2016, which includes the Company.

##### **Going concern**

The financial statements have been prepared on the going concern basis which the Directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Casual Dining Bidco Limited. The Company's parent undertaking Casual Dining Bidco Limited has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. This will enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other Group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

##### **Changes in accounting policy and disclosures**

None of the standards, interpretations and amendments effective for the first time from 1 June 2015 have had a material effect on the financial statements.

##### **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the Company.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company activities.

##### **Tax**

The tax expense for the period comprises tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

## **Bella Pasta Limited**

### **Notes to the Financial Statements for the 52 weeks ended 29 May 2016 (continued)**

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

##### **Property, plant and equipment**

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

##### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

##### **Asset class**

##### **Depreciation method and rate**

Over their remaining lease periods, except where the anticipated renewal or extension of the lease is sufficiently certain that a longer estimated useful life is appropriate. Current legislation and the terms of the lease contracts are such that in most instances, leases are readily extendible by an additional 15 years. The maximum depreciation period for leasehold improvements is 30 years.

Building and leaseholds

Fixtures, fittings, and equipment

Over 4 to 25 years

##### **Impairment of non-financial assets**

The carrying value of plant, property and equipment are reviewed for impairment if event or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of plant, property and equipment below depreciated historical cost is charged to the Statement of Comprehensive Income. Profits and losses on disposal of plant, property and equipment reflect the difference between the net selling price and the net book value at the date of disposal.

Impairment reviews of plant, property and equipment are performed by management when there is an indication of impairment, with any resulting impairment charged through exceptional administrative expenses.

##### **Investments**

Investments are stated at cost less provision for any impairment in value. Impairment reviews are performed by the Directors when there is an indication of impairment.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

## **Bella Pasta Limited**

### **Notes to the Financial Statements for the 52 weeks ended 29 May 2016 (continued)**

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

##### **Trade receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

##### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory 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.

##### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

##### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## **Bella Pasta Limited**

### **Notes to the Financial Statements for the 52 weeks ended 29 May 2016 (continued)**

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

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

##### **Exceptional items**

Costs incurred in the period which are classified as exceptional are those which are material in nature and derive from events or transactions that do not fall within the ordinary activities of the Company and which are individually, or in aggregate, of such size or incidence to require specific disclosure.

#### **3 Revenue**

The analysis of the Company's revenue for the period from continuing operations is as follows:

	<b>1 June 2015 to 29 May 2016 £</b>	<b>2 June 2014 to 31 May 2015 £</b>
Sale of goods	2,196,453	3,758,541
Other revenue	8	-
	<u>2,196,461</u>	<u>3,758,541</u>



## Bella Pasta Limited

### Notes to the Financial Statements for the 52 weeks ended 29 May 2016 (continued)

#### 4 Operating profit/(loss)

Operating profit/(loss) after charging/(crediting)

	1 June 2015 to 29 May 2016 £	2 June 2014 to 31 May 2015 £
Depreciation expense	171,401	221,237
Operating lease expense - land and buildings	262,352	786,846
(Profit)/loss on disposal of property, plant and equipment	<u>(93,326)</u>	<u>225,630</u>

#### 5 Staff costs

The aggregate payroll costs were as follows:

	1 June 2015 to 29 May 2016 £	2 June 2014 to 31 May 2015 £
Wages and salaries	503,357	1,301,478
Social security costs	33,898	74,457
Other pension costs	-	3,030
	<u>537,255</u>	<u>1,378,965</u>

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

	1 June 2015 to 29 May 2016 No.	2 June 2014 to 31 May 2015 No.
Directors	2	2
Restaurant staff	<u>59</u>	<u>95</u>
	<u>61</u>	<u>97</u>

#### 6 Directors' remuneration

The remuneration of the Directors is borne by a fellow Group company and is recharged to the Company as part of a management charge. This management charge also includes administrative costs borne by the fellow Group company and is not possible to identify separately the amount of Directors remuneration included in that recharge.

## Bella Pasta Limited

### Notes to the Financial Statements for the 52 weeks ended 29 May 2016 (continued)

#### 7 Auditors' remuneration

	1 June 2015 to 29 May 2016 £	2 June 2014 to 31 May 2015 £
Audit of the financial statements	<u>3,000</u>	<u>5,000</u>
<b>Other fees to auditors</b>		
All other tax advisory services	1,500	4,500
All other non-audit services	<u>-</u>	<u>350</u>
	<u>1,500</u>	<u>4,850</u>

#### 8 Exceptional Items

	1 June 2015 to 29 May 2016 £	2 June 2014 to 31 May 2015 £
Net decrease in onerous contract provisions	(43,373)	(16,601)
Reorganisation costs	846	253,888
Brand development costs	<u>-</u>	<u>34,477</u>
	<u>(42,527)</u>	<u>271,764</u>

The tax effect in the Statement of Comprehensive Income relating to the exceptional items recognised below operating profit is £8,505 (2015 - £56,636).

An impairment review was conducted across the Company and highlighted sites which management consider to have onerous fixed cost obligations, for which a net provision of £43,373 has been released (2015 - £16,601).

During the period the Company completed the fundamental reorganisation of the business, begun in the prior financial period, incurring costs of £846 (2015 - £253,888).

Brand development costs in the prior period relate to costs incurred in the fundamental restructuring of the brand during the period. These costs included new menus, staff uniforms, training, relaunch marketing and fixed costs payable during the period of refurbishment. No such costs were incurred in the current period.

## Bella Pasta Limited

### Notes to the Financial Statements for the 52 weeks ended 29 May 2016 (continued)

#### 9 Income tax

Tax charged in the statement of comprehensive income

	1 June 2015 to 29 May 2016 £	2 June 2014 to 31 May 2015 £
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#### Current taxation

UK corporation tax	-	-
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The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2015 - higher than the standard rate of corporation tax in the UK) of 20% (2015 - 20.84%).

The differences are reconciled below:

	1 June 2015 to 29 May 2016 £	2 June 2014 to 31 May 2015 £
Profit/(loss) on ordinary activities before tax	<u>277,013</u>	<u>(642,481)</u>
Corporation tax at standard rate	55,403	(133,893)
Depreciation in excess of capital allowances	26,424	139,844
Non-taxable income	-	(22,916)
Expenses not deductible for tax purposes	(742)	-
Deferred tax asset not recognised	(12,923)	-
Group relief (claimed)/surrendered for nil consideration	<u>(68,162)</u>	<u>16,965</u>
Total tax charge	<u>-</u>	<u>-</u>

The Company has an unrecognised deferred tax asset in respect of fixed assets timing differences of £12,923 (2015: £Nil) due to it not being sufficiently probable that it will be utilised in the foreseeable future.

The UK corporation tax rate is 20% from 1 April 2015 and this has been reflected in the accounts. Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As these changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. Deferred tax has therefore been provided for at 18% (2015 - 20%) and the pro-rated corporation tax rate for the period is 20% (2015 - 20.84%).

# Bella Pasta Limited

## Notes to the Financial Statements for the 52 weeks ended 29 May 2016 (continued)

### 10 Property, plant and equipment

	Land, buildings and leaseholds £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 June 2015	1,118,504	3,472,672	4,591,176
Additions	-	84,784	84,784
Disposals	(190,285)	(185,605)	(375,890)
At 29 May 2016	<u>928,219</u>	<u>3,371,851</u>	<u>4,300,070</u>
<b>Accumulated depreciation</b>			
At 1 June 2015	934,720	3,103,055	4,037,775
Charge for the period	48,663	122,738	171,401
Eliminated on disposal	(250,110)	(219,108)	(469,218)
At 29 May 2016	<u>733,273</u>	<u>3,006,685</u>	<u>3,739,958</u>
<b>Carrying amount</b>			
At 29 May 2016	<u>194,946</u>	<u>365,166</u>	<u>560,112</u>
At 31 May 2015	<u>183,784</u>	<u>369,617</u>	<u>553,401</u>

## Bella Pasta Limited

### Notes to the Financial Statements for the 52 weeks ended 29 May 2016 (continued)

#### 11 Investments

Subsidiaries	£
<b>Cost or valuation</b>	
At 1 June 2015	6
At 29 May 2016	6
<b>Provision</b>	
At 1 June 2015	-
At 29 May 2016	-
<b>Carrying amount</b>	
At 29 May 2016	6
At 31 May 2015	6

Details of the subsidiaries as at 29 May 2016 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2016	2015
Bella Pasta Restaurants Limited*	Non-trading	England and Wales	100%	100%

\* indicates direct investment of the Company

#### 12 Inventories

The cost of inventory expensed in the period is £522,638 (2015 - £892,793). The balance in the statement of financial position at the end of the period is £19,058 (2015 - £18,003).

#### 13 Trade and other receivables

	29 May 2016 £	31 May 2015 £
Trade receivables	-	33,383
Other receivables	26,616	26,785
	<u>26,616</u>	<u>60,168</u>

## Bella Pasta Limited

### Notes to the Financial Statements for the 52 weeks ended 29 May 2016 (continued)

#### 14 Ordinary shares

##### Allotted, called up and fully paid shares

	29 May 2016		31 May 2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>5,380</u>	<u>5,380</u>	<u>5,380</u>	<u>5,380</u>

#### 15 Lease commitments

##### Operating leases

The total future value of minimum lease payments is as follows:

	2016 £
Within one year	230,661
In two to five years	922,644
In over five years	<u>2,050,170</u>
	<u>3,203,475</u>

#### 16 Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £Nil (2015 - £3,030).

#### 17 Provisions for other liabilities and charges

	Onerous contracts £
At 1 June 2015	149,506
Provisions utilised	(32,582)
Unused provision reversed	<u>(43,373)</u>
At 29 May 2016	<u>73,551</u>

##### Onerous contract provision

The provision for onerous contracts is in respect to operating lease arrangements, and represents estimated discounted cash flows over the life of the contract that are considered onerous.

## **Bella Pasta Limited**

### **Notes to the Financial Statements for the 52 weeks ended 29 May 2016 (continued)**

#### **18 Trade and other payables**

	<b>29 May 2016</b>	<b>31 May 2015</b>
	<b>£</b>	<b>£</b>
Accrued expenses	36,717	257,460
Payables to related parties	4,597,717	4,672,006
Other payables	8,963	7,508
	<u>4,643,397</u>	<u>4,936,974</u>

Payables to related parties have no fixed repayment date, are interest free and unsecured.

#### **19 Related party transactions**

The Company has taken advantage of the exemption in FRS 101 "Related Party Disclosures" from disclosing transactions with other members of the Group.

#### **20 Parent and ultimate parent undertaking**

Casual Dining Bidco Limited, registered in England and Wales, together with its subsidiaries form the smallest group of which the Company is a member and for which group financial statements are drawn up. Casual Dining Group Limited, registered in England and Wales, together with its subsidiaries form the largest group of which the Company is a member and for which group financial statements are drawn up. For both consolidations, copies of these financial statements can be obtained from 1st Floor, 163 Eversholt Street, London, NW1 1BU, United Kingdom.

The Company considers Casual Dining Group S.C.A., a partnership company incorporated in Luxembourg and managed by Casual Dining Group GP S.A., a company incorporated in Luxembourg, as the ultimate parent undertaking, through its ownership of 100% of the share capital of Casual Dining Group Limited. The Company considers Apollo Global Management, LLC, through its managed funds, to be its ultimate controlling party.