

Registration number: 03092239

Bella Pasta Limited

Annual Report and Financial Statements

for the 52 weeks ended 28 May 2017



Bella Pasta Limited

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Bella Pasta Limited

Company Information

Directors

G. David
S. Richards

Company secretary

G. David

Registered office

1st Floor
163 Eversholt Street
London
NW1 1BU

Solicitors

Taylor Wessing
5 New Street Square
London
EC4A 3TW

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bella Pasta Limited

Directors' Report for the Period ended 28 May 2017

The Directors present their annual report and the audited financial statements of the Company for the 52 week period of accounts ended 28 May 2017. The comparatives are for the 52 week period ended 29 May 2016.

Directors of the Company

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

G. David (appointed 21 June 2017)
T. Doubleday (resigned 31 August 2017)
S. Richards

Principal activity

The principal activity of Bella Pasta Limited (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 £155,610 (2016: £277,013) from the operation of its two restaurants (2016: two). There has been no change in this activity during the period. The Directors do not propose the payment of a dividend (2016: £nil).

An exceptional credit of £66,572 was recognised by the Company for the 52 week period ended 28 May 2017 (2016: £42,527). These items were outside the normal operations of the Company and relate to the release of an onerous lease provision (offset in 2016 by reorganization costs of £846).

The net liabilities of the Company at 28 May 2017 were £3,924,533 (2016: £4,080,143).

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.

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.

Bella Pasta Limited

Directors' Report for the Period ended 28 May 2017

Going concern

The Directors believe that preparing the 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 intends 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.

Statement of directors' responsibilities

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 52 week period. 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 101 "Reduced Disclosure Framework", 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 101, 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.


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.

Reappointment of auditors

The auditors PricewaterhouseCoopers LLP are deemed to be reappointed Under section 485(2) of the Companies Act 2006.

Approved by the Board on 28/03/18 and signed on its behalf by:


G. David
Director

Independent auditors' report to the members of Bella Pasta Limited

Report on the financial statements

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 28 May 2017 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.

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 28 May 2017;
- 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.

Opinions 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

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.

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.

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 3, 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

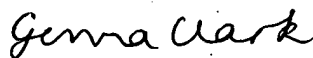
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



Gemma Clark (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 March 2018

Bella Pasta Limited

Statement of Comprehensive Income for the 52 weeks ended 28 May 2017

		Before exceptional items 52 weeks ended 28 May 2017	Exceptional items 52 weeks ended 28 May 2017	Total 52 weeks ended 28 May 2017	Before exceptional Items 52 weeks ended 29 May 2016	Exceptional items 52 weeks ended 29 May 2016	Total 52 weeks ended 29 May 2016
	Note	£	£	£	£	£	£
Revenue	3	1,886,060	-	1,886,060	2,196,461	-	2,196,461
Cost of sales		(1,729,656)	66,572	(1,663,084)	(1,824,120)	43,373	(1,780,747)
Gross profit		156,404	66,572	222,976	372,341	43,373	415,714
Administrative expenses		(67,366)	-	(67,366)	(137,855)	(846)	(138,701)
Operating profit	4	89,038	66,572	155,610	234,486	42,527	277,013
Profit on ordinary activities		89,038	66,572	155,610	234,486	42,527	277,013
Tax on profit on ordinary activities	9	-	-	-	-	-	-
Profit for the financial period and total comprehensive income		89,038	66,572	155,610	234,486	42,527	277,013

The above results were derived from continuing operations.

The notes on pages 9 to 19 form an integral part of these financial statements.

Bella Pasta Limited

Registration number: 03092239
Statement of Financial Position as at 28 May 2017

	Note	28 May 2017 £	29 May 2016 £
Assets			
Non-current assets			
Intangible assets	10	-	-
Property, plant and equipment	11	507,654	560,112
Investments in subsidiaries	12	<u>6</u>	<u>6</u>
		<u>507,660</u>	<u>560,118</u>
Current assets			
Inventories	13	18,643	19,058
Trade and other receivables	14	46,041	26,616
Prepayments		<u>9,057</u>	<u>31,013</u>
		<u>73,741</u>	<u>76,687</u>
Total assets		<u>581,401</u>	<u>636,805</u>
Equity and liabilities			
Current liabilities			
Trade and other payables	19	(4,498,955)	(4,643,397)
Provisions for liabilities and charges	18	<u>(6,979)</u>	<u>(73,551)</u>
Total liabilities		<u>(4,505,934)</u>	<u>(4,716,948)</u>
Net liabilities		<u>(3,924,533)</u>	<u>(4,080,143)</u>
Equity			
Called up share capital	15	5,380	5,380
Share premium account		820,081	820,081
Capital redemption reserve		150,350	150,350
Profit and loss account		<u>(4,900,344)</u>	<u>(5,055,954)</u>
Total equity		<u>(3,924,533)</u>	<u>(4,080,143)</u>

These financial statements on page 6 to 19 were approved by the Board of Directors on 28/03/18
and signed on its behalf by:



G. David
Director

The notes on pages 9 to 19 form an integral part of these financial statements.

Bella Pasta Limited

Statement of Changes in Equity for the period ended 28 May 2017

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 June 2015	5,380	820,081	150,350	(5,332,967)	(4,357,156)
Comprehensive profit for the period	-	-	-	277,013	277,013
At 29 May 2016	5,380	820,081	150,350	(5,055,954)	(4,080,143)
At 30 May 2016	5,380	820,081	150,350	(5,055,954)	(4,080,143)
Comprehensive profit for the period	-	-	-	155,610	155,610
At 28 May 2017	5,380	820,081	150,350	(4,900,344)	(3,924,533)

The notes on pages 9 to 19 form an integral part of these financial statements

Bella Pasta Limited

Notes to the Financial Statements for the Period ended 28 May 2017

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 280 restaurants as at 28 May 2017, 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 21.

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.

The financial statements of the Company have been prepared for the accounting period ended 28 May 2017.

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 judgment 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.

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 28 May 2017, which includes the Company.

Bella Pasta Limited

Notes to the Financial Statements for the Period ended 28 May 2017

2. Accounting policies (continued)

Going Concern

The financial statements have been prepared on the going concern basis which the Directors believe is 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.

Changes in accounting policy and disclosures

None of the standards, interpretations and amendments effective for the first time for the period ended 28 May 2017 has 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, refunds and discounts.

The Company recognises revenue when:

- (a) The amount of revenue can be reliably measured;
- (b) It is probable that future economic benefits will flow to the entity; and
- (c) Specific criteria have been met for each of the Company activities.

The Company's revenue is derived of food and beverage sales at restaurants.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Bella Pasta Limited

Notes to the Financial Statements for the Period ended 28 May 2017

2. Accounting policies (continued)

Tax (continued)

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for any deferred tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the group the ability to control the reversal of the temporary difference is the deferred tax liability not recognised.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

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
Building and leaseholds	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.
Fixtures, fittings and equipment	Over 4 to 25 years

Depreciation of site held assets is included in cost of sales.

Software

Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Capitalised software is amortised on a straight-line basis over its estimated useful life of eight years.

Impairment of non-financial assets

Impairment reviews of intangible assets are performed by management when there are indicators of impairment.

The carrying value of plant, property and equipment is 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.

Bella Pasta Limited

Notes to the Financial Statements for the Period ended 28 May 2017

2. Accounting policies (continued)

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.

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 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 Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at managements' 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.

Bella Pasta Limited

Notes to the Financial Statements for the Period ended 28 May 2017

2. Accounting policies (continued)

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.

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.

Significant accounting estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the application of the accounting policies as described above. The following are the most significant:

a) Impairment of property, plant and equipment

The Company determines whether an item of property, plant and equipment is impaired by considering indicators of impairment. If indicators of impairment are present, the Company must calculate the value in use which requires the Company to estimate future cash flows and choose a discount rate to calculate the present value of those cash flows.

b) Onerous contract provisions

Onerous contract provisions are made for the future net costs of leasehold properties which are vacant, loss making, or sublet below passing rent. Provisions are based on discounted future net cash outflows, as estimated by management.

c) Dilapidations provision

The Company's management provides for dilapidation and related costs as and when it can reliably estimate the cost incurred during the occupancy of a leased property. The cost is then charged to the statement of comprehensive income.

3. Revenue

The analysis of the Company's revenue, all of which derives from the UK, for the period from continuing operations is as follows:

	30 May 2016 to 28 May 2017	1 June 2015 to 29 May 2016
	£	£
Sale of goods	1,886,004	2,196,453
Other revenue	56	8
	1,886,060	2,196,461

Bella Pasta Limited

Notes to the Financial Statements for the Period ended 28 May 2017

4. Operating profit/(loss)

Operating profit after charging:

	30 May 2016 to 28 May 2017 £	1 June 2015 to 29 May 2016 £
Amortisation expense	35	-
Depreciation expense	79,776	171,401
Operating lease expense – land and buildings	272,416	262,352
Loss/(profit) on disposal of property, plant and equipment	17,379	(93,326)
	<hr/>	<hr/>

Refer to Note 8 for exceptional amounts included on operating profit.

5. Staff costs

The aggregate payroll costs were as follows:

	30 May 2016 to 28 May 2017 £	1 June 2015 to 29 May 2016 £
Wages and salaries	579,514	503,357
Social security costs	33,324	33,898
	<hr/>	<hr/>
	612,838	537,255

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

	30 May 2016 to 28 May 2017 No.	1 June 2015 to 29 May 2016 No.
Directors	2	2
Restaurant staff	48	59
	<hr/>	<hr/>
	50	61

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 Period ended 28 May 2017

7. Auditors' remuneration

	30 May 2016 to 28 May 2017 £	1 June 2015 to 29 May 2016 £
Audit of the financial statements	-	3,000
Other fees to auditors		
All other tax-advisory services	-	1,500
All other non-audit services	-	-
	-	1,500

The current period auditor's remuneration of £5,000 was borne by a fellow Group company. Fees paid in the current period to the Company's auditor, PricewaterhouseCoopers LLP, and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements. This is on the basis that such non-audit fees are disclosed in the consolidated financial statements of the Company's parent company Casual Dining Bidco Limited.

8. Exceptional items

	30 May 2016 to 28 May 2017 £	1 June 2015 to 29 May 2016 £
Charged to cost of sales:		
Net decrease in onerous contract provision	(66,572)	(43,373)
	(66,572)	(43,373)
Charged to administrative expenses:		
Reorganisation costs	-	846
		846
	(66,572)	(42,527)

The tax effect in the Statement Of Comprehensive Income relating to the exceptional items recognised below operating profit is a charge of £nil (2016 - £8,505).

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 £66,572 has been released (2016: £43,373).

During the prior period the Company completed the fundamental reorganization of the business and incurred costs of nil (2016: £846).

Bella Pasta Limited

Notes to the Financial Statements for the Period ended 28 May 2017

9. Tax on profit

Tax charged in the statement of comprehensive income

	30 May 2016 to 28 May 2017 £	1 June 2015 to 29 May 2016 £
Current taxation		
UK corporation tax	-	-

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 19.83% (2016 - 20%).

The differences are reconciled below:

	30 May 2016 to 28 May 2017 £	1 June 2015 to 29 May 2016 £
Profit on ordinary activities before tax	155,610	277,013
Corporation tax at standard rate	30,857	55,403
Depreciation in excess of capital allowances	11,569	26,424
Origination and reversal of temporary differences	1,209	-
Expenses not deductible for tax purposes	-	(742)
Deferred tax asset not recognised	-	(12,923)
Group relief claimed for nil consideration	(43,635)	(68,162)
Total tax charge	-	-

The Company has an unrecognised deferred tax asset in respect of fixed timing differences of £216,437 (2016 £12,923) due to it not being sufficiently probable that it will be utilised in the foreseeable future.

The Finance Act 2015 introduced a reduction in the main rate of corporation tax from 20% to 19% from April 2017 and from 19% to 18% from April 2020. These reductions were substantively enacted on 26 October 2015. This has resulted in a blended rate of 19.83% being used to calculate the tax provision for the 52 weeks to 30 May 2017. The Finance Act 2016 introduced a further reduction in the main rate of corporation tax to 17% from April 2020. This was substantively enacted on 6 September 2016.

10. Intangible assets

	£
Cost or valuation	
At 29 May 2016	-
Disposals	3,124
Reclassification*	(1,640)
At 28 May 2017	1,484
Accumulated depreciation	
At 29 May 2016	-
Charge for the year	35
Transfers from related parties	4,436
Reclassification*	(2,987)
At 28 May 2017	1,484
Carrying amount	
At 28 May 2017	-
At 29 May 2016	-

Amortisation of software is charged to administrative expenses in the Statement of Comprehensive Income.

Bella Pasta Limited

Notes to the Financial Statements for the Period ended 28 May 2017

10. Intangible assets (continued)

* During the period the Casual Dining Bidco Group rebuilt its fixed assets register. This was as a result of legacy lease contracts relating to different Group brands and the conversion or changes in the branding of sites. The reconstruction has re-mapped both intangible and fixed asset costs and accumulated amortisation/depreciation to different asset classes and to different Group statutory entities to consider the impact of the historical transfer of assets amongst Group entities. As a result of this, the reclassification lines in the above note represent changes in costs and accumulated amortisation/depreciation balances across software, land, buildings and leaseholds and furniture, fittings and equipment, as applicable to this entity. On an overall Group basis, across all statutory entities, there is no change in the total value of tangible assets and intangible assets as a result of this reconstruction.

11. Property, plant and equipment

	Land, buildings and leaseholds £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 29 May 2016	928,219	3,371,851	4,300,070
Additions	-	44,732	44,732
Disposals	(448,140)	(1,606,282)	(2,054,422)
Reclassifications*	209,295	(1,225,666)	(1,016,371)
At 28 May 2017	689,374	584,635	1,274,009
Accumulated depreciation			
At 29 May 2016	733,273	3,006,685	3,739,958
Charge for the year	34,469	45,307	79,776
Eliminated on disposal	(457,858)	(1,597,876)	(2,055,734)
Reclassifications*	11,017	(1,008,662)	(997,645)
At 28 May 2017	320,901	445,454	766,355
Carrying amount			
At 28 May 2017	368,473	139,181	507,654
At 29 May 2016	194,946	365,166	560,112

* During the period the Casual Dining Bidco Group rebuilt its fixed assets register. This was as a result of legacy lease contracts relating to different Group brands and the conversion or changes in the branding of sites. The reconstruction has re-mapped both intangible and fixed asset costs and accumulated amortisation/depreciation to different asset classes and to different Group statutory entities to consider the impact of the historical transfer of assets amongst Group entities. As a result of this, the reclassification lines in the above note represent changes in costs and accumulated amortisation/depreciation balances across software, land, buildings and leaseholds and furniture, fittings and equipment, as applicable to this entity. On an overall Group basis, across all statutory entities, there is no change in the total value of tangible assets and intangible assets as a result of this reconstruction.

Bella Pasta Limited

Notes to the Financial Statements for the Period ended 28 May 2017

12. Investments

Subsidiaries

	£
Cost or valuation	
At 29 May 2016	6
At 28 May 2017	6
Provisions	
At 29 May 2016	-
At 28 May 2017	-
Carrying amount	
At 28 May 2017	6
29 May 2016	6

Details of the subsidiaries as at 28 May 2017 are as follows:

Name of subsidiary	Principal activity	Country or incorporation and principal place of business	Proportion of voting rights and shares held	
			2017	2016
Bella Pasta Restaurants Limited*	Non-trading	England and Wales	100%	100%

*indicates direct investment of the Company

13. Inventories

The cost of inventory expensed in the period is £443,113 (2016: £522,638). The balance in the statement of financial position at the end of the period is £18,643 (2016: £19,058) relating to food and beverage.

14. Trade and other receivables

	28 May 2017	29 May 2016
	£	£
Amounts owed by other members of the Group	20,503	-
Other receivables	25,538	26,616
Total current trade and other receivables	46,041	26,616

15. Share capital

Allocated, called up and fully paid shares

	28 May 2017		29 May 2016	
	No.	£	No.	£
Ordinary shares of £1 each	5,380	5,380	5,380	5,380

16. Lease commitments

Operating Leases – land & buildings

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

	2017	2016
	£	£
Within one year	230,661	230,661
In two to five years	922,644	922,644
In over five years	1,820,141	2,050,170
	2,973,446	3,203,475

Bella Pasta Limited

Notes to the Financial Statements for the Period ended 28 May 2017

17. 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 (2016: £nil).

18. Provisions for liabilities

	Onerous Contracts £
At 30 May 2016	73,551
Provisions utilised	(66,572)
Unused provision reversed	-
	<hr/>
At 28 May 2017	<u>6,979</u>

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.

19. Trade and other payables

	28 May 2017 £	29 May 2016 £
Accrued expenses	16,170	36,717
Social security and other taxes	48,580	-
Amounts owed to other members of the Group	4,400,775	4,597,717
Other payables	33,430	8,963
	<hr/>	<hr/>
	<u>4,498,955</u>	<u>4,643,397</u>

Amounts owed by other members of the Group have no fixed repayment date, are interest free and unsecured.

20. Related party transactions

The Company has taken advantage of the exemption in FRS101 "Related Party Disclosures" from disclosing transactions with other members of the Group.

21. Ultimate parent undertaking

The immediate parent undertaking is 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.