**Momentum Services Limited**

# Annual report and accounts

Registered number 03874110

31 December 2015

# Contents

# Officers and professional advisers

**Directors**
Valentino Fabbian
David Cheeseman
Joseph N Zaidan
Fabio Croce-Sebastiani
Frank Whittaker

**Secretary**
Antonio Ghirarduzzi

**Registered office**
90A Tooley Street
London
SE1 2TH

**Bankers**
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54 Lombard Street
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45 Boulevard Haussman
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CBC Bank
Succursale Louise
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**Auditor**
BDO LLP
55 Baker Street
London
W1U 7EU

**Lawyers**
Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH

# Strategic report

**Principal activities**

The principal activity of the company is the provision of the railway restaurant and related services on board Eurostar trains running between London and Paris, London and Brussels and to other destinations pursuant to a contract entered into with Eurostar International Limited ("Eurostar"). The company also operates the Business Premier Lounges and the on-board equipment management contracts with Eurostar.

**Market overview and contracts**

During 2015, the business has maintained a satisfactory level of activity with an increase in passenger volume of 2.6% compared to 2014. Volume is expected to fall in 2016 due to a difficult market environment following the terrorist attacks of Paris in November 2015 and uncertain economic conditions.

The company was awarded a new contract for a 7 year period signed on 11 December 2013. The new contract started on 1 June 2014 and expires on 31 May 2021. The new contract includes the on-board services, the Business Premier Lounge services, the on-board equipment management and the bar buffet. The Paris lounge services are subcontracted to Lounge Services SAS, a fellow subsidiary company incorporated in France.

**Results for the year**

Profit after taxation for the financial year amounted to €1,832,000 *(2014: €1,195,000).*

Operating profit has increased to 3.2% (2014: 1.9%) of turnover, primarily as a result of maintaining an excellent level of customer service, cost efficiency mainly from the on-board contracts with Eurostar and higher revenue and profit from the sales at the bar buffet carriages.

**Key performance indicators**

The main key performance indicators, as outlined in the Eurostar contracts (customers' satisfaction score and cost savings), show that the organisation has performed to expectations in 2015. The performance bonus score which is one for all services has maintained satisfactory levels in line with the old quality score of 95% of the management fee of the on-board contract.

**Principal risks and uncertainties**

***Going concern risk***

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in this report. The company is dependent on one source of income; that is income from contracts operated with Eurostar in relation to the provision of the railway restaurant and related services on board Eurostar trains running between London and Paris, London and Brussels and to other destinations. The company also operates the Business Premier Lounges and equipment contracts with Eurostar. At the balance sheet date all contracts have 5 years and 5 months to completion.

The directors consider that the provision of these contracts will provide sufficient resources for the company to continue to meet its liabilities as they fall due and as such the financial statements have been prepared on a going concern basis. The budget for 2016, approved by the Board of Directors in December 2015, indicates that the company is expected to maintain the current profitability for the next financial year. In addition, the directors have reviewed the forecasted cash flows of the company which indicate that cash flows will remain positive for at least twelve months from the date of the approval of the financial statements.

By order of the board,

**David Cheeseman**
Director
Date: 29/03/2016

# Directors' report

**Directors and their interests**

The directors who served during the year and up to the date of this report were as follows:

David Cheeseman
Valentino Fabbian
Joseph N Zaidan
Fabio Croce-Sebastiani
Frank Whittaker

None of the directors hold any interest in the company. During the year, Joseph N Zaidan and Valentino Fabbian were directors of Chef Express S.p.A. Valentino Fabbian was also a director of Cremonini S.p.A., which is the ultimate parent company. Their interests in Chef Express S.p.A. and Cremonini S.p.A. are disclosed in those companies' accounts.

Fabio Croce-Sebastiani's salary was paid by Momentum Services Limited and then re-charged to Chef Express S.p.A. for services related to Chef Express S.p.A. The outstanding balance owed to the company at 31 December 2015 in respect of these charges is €40,920 *(2014: €59,392)*. The total recharge for the year is €165,057 *(2014: €161,082)*.

**Change in accounting frameworks**

The company has adopted FRS 101 'Reduced Disclosure Framework' for the first time this year. In previous years, the company has applied applicable UK standards. The impact of the change is described in note 24.

**Ownership**

The company is fully owned by Chef Express UK Limited, a company incorporated in England and Wales, which held 100% of the equity.

**Dividend**

Dividends totalling €800,000 were paid in 2015 to Chef Express UK *(2014: €700,000 to Chef Express UK)*.

A final dividend for the financial year of €1,800,000 will be proposed at the forthcoming AGM. No provision for this dividend has been made at the Balance Sheet date.

**Employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities 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 the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that employees' views are taken into account when decisions are made that are likely to affect their interests. It ensures that all the employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through the house newspaper, newsletters and briefing groups.

**Strategic report**

In accordance with section S414C (11) of the Companies Act 2006, the company has produced a Strategic Report which is set out on page 4. Information on likely future developments in the business of the company has been included in the Strategic Report on page4.

# Directors' report (continued)

**Directors' responsibilities**

The directors are responsible for preparing the strategic report, 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 year. Under that law the directors have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including 'FRS 101 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Disclosure of information to the auditor**

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 auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

On 30 September 2015 BDO UK Audit LLP has been appointed as auditor of the company by the Board of Directors.

In accordance with Section 487 of the Companies Act 2006, BDO UK Audit LLP will be deemed to be re-appointed as auditor of the company.

**Approval**

The Directors' Report was approved by order of the Board on 29 March 2016.

**Antonio Ghirarduzzi**
Company Secretary

# Independent auditor's report to the members of Momentum Services Limited

We have audited the financial statements of Momentum Services Limited for the year ended 31 December 2015 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

**Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, 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). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

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

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP.

**Dominic Stammers** *(senior statutory auditor)*
*For and on behalf of BDO LLP, statutory auditor*
*55 Baker Street, London*
*W1U 7EU*
*United Kingdom*
*30 March 2016*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Statement of comprehensive income
**For the year ended 31 December 2015**

| | Note | 2015 €'000 | 2014 €'000 |
|---|---|---|---|
| **Turnover** | 3 | **68,014** | 61,551 |
| Operating statement charges | 3 | **211** | 31 |
| **Gross profit** | | **68,225** | 61,582 |
| Raw material and consumables | | **(22,961)** | (21,031) |
| Depreciation | 11 | **(80)** | (156) |
| Other external charges | | **(8,388)** | (7,899) |
| Staff costs | 6 | **(33,655)** | (30,636) |
| Other operating charges | | **(606)** | (504) |
| Exchange differences | 4 | **(359)** | 57 |
| **Operating profit** | | **2,176** | 1,413 |
| Interest receivable and similar income | 8 | **-** | 6 |
| Interest payable and similar charges | 8 | **(2)** | (30) |
| **Profit on ordinary activities before taxation** | | **2,174** | 1,389 |
| Tax on profit on ordinary activities | 9 | **(342)** | (194) |
| **Profit for the financial year** | | **1,832** | 1,195 |
| **Other comprehensive income:** | | | |
| Exchange gains/(losses) arising on translation of foreign currency operations | | **343** | (102) |
| **Total comprehensive income** | | **2,175** | 1,093 |

The results shown above are derived wholly from continuing operations.

The company has no recognised gains or losses other than profits for the current year or previous period.

The notes from page 12 form part of these financial statements.

# Statement of financial position
***At 31 December 2015***

| | *Note* | **2015** | | 2014 | |
|---|---|---|---|---|---|
| | | **€'000** | **€'000** | €'000 | €'000 |
| **Fixed assets** | | | | | |
| Computer software | 11 | | **5** | | 9 |
| Tangible assets | 11 | | **290** | | 152 |
| | | | **295** | | 161 |
| **Current assets** | | | | | |
| Stock | 12 | **1,166** | | 918 | |
| Debtors | 13 | **9,675** | | 6,251 | |
| Shareholders loan | 13 | **1,718** | | 2,950 | |
| Cash at bank and in hand | | **3,214** | | 7,984 | |
| | | **15,773** | | 18,103 | |
| **Creditors:** amounts falling due within one year | 14 | **(13,069)** | | (16,640) | |
| **Net current assets** | | | **2,704** | | 1,463 |
| **Net assets** | | | **2,999** | | 1,624 |
| **Capital and reserves** | | | | | |
| Called up share capital | 16 | | **269** | | 269 |
| Redenomination reserve | 17 | | **99** | | 99 |
| Exchange reserve | 17 | | **(82)** | | (234) |
| Retained Earnings | 17 | | **2,713** | | 1,490 |
| **Equity shareholders' funds** | 17 | | **2,999** | | 1,624 |

These financial statements were approved by the board of directors on 29 March 2016 and were signed on its behalf by:

**Fabio Croce-Sebastiani**
Director

The notes from page 15 form part of these financial statements.

# Cash flow statement
***For the year ended 31 December 2015***

| | Note | 2015 €'000 | 2014 €'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the financial year | | **1,832** | **1,195** |
| Adjustment for: | | | |
| Depreciation | *11* | **80** | **156** |
| Interest paid | | **2** | **30** |
| Interest received | | **-** | **(6)** |
| Taxation | | **342** | **194** |
| (Increase)/Decrease in stocks | | **(248)** | **101** |
| (Increase)/Decrease in debtors | | **(3,435)** | **929** |
| (Decrease)/Increase in creditors | | **(3,646)** | **4,775** |
| **Cash from operations** | | **(5,073)** | **7,374** |
| Interest paid | | **(2)** | (30) |
| Income tax paid | | **262** | (277) |
| **Net cash generated from operating activities** | | **(4,813)** | 7,067 |
| **Cash flow from investing activities** | | | |
| Purchase of tangible fixed assets | *8* | **(207)** | (196) |
| Interest received | *8* | **-** | 6 |
| **Net cash from investing activities** | | **(207)** | (190) |
| **Cash flow from financing activities** | | | |
| Dividend paid | | **(800)** | (700) |
| (Repayments)/payments (from)/to shareholders loan | | **1,233** | (1,950) |
| (Increase)/decrease in deposit | | **(31)** | 32 |
| **Net cash used in financing activities** | | **402** | (2,618) |
| **(Decrease)/Increase in cash and cash equivalents** | | **(4,618)** | 4,259 |
| Cash and cash equivalents at beginning of period | | **7,984** | 3,620 |
| Foreign exchange differences | | **(152)** | 105 |
| **Cash and cash equivalents at the end of the period** | *21* | **3,214** | 7,984 |

The notes from page 12 form part of these financial statements.

## Statement of changes in equity
***For the year ended 31 December 2015***

| | Share Capital €'000 | Redenomination Reserve €'000 | Exchange Reserves €'000 | Retained Earnings €'000 | Total shareholder Funds €'000 |
|---|---|---|---|---|---|
| At 1 January 2014 | 269 | 99 | (132) | 995 | 1,231 |
| Exchange gains / losses | - | - | (102) | - | (102) |
| Dividends paid | - | - | - | (700) | (700) |
| Profit for the year | - | - | - | 1,195 | 1,195 |
| At 1 January 2015 | 269 | 99 | (234) | 1,490 | 1,624 |
| Exchange gains / losses | - | - | 343 | - | 343 |
| Dividends paid | - | - | - | (800) | (800) |
| Profit for the year | - | - | - | 1,832 | 1,832 |
| At 31 December 2015 | 269 | 99 | 109 | 2,522 | 2,999 |

The notes from page 12 form part of these financial statements.

# Notes to the financial statements
***for year ended 31 December 2015***

## 1 Accounting policies

***Basis of preparation***

The financial statements have been prepared in accordance with the applicable Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Framework. The principal accounting policies adopted in the preparation of the financial statement are set out below.

The financial statement have been prepared on a historical cost basis. The preparation currency used is EURO and amounts have been presented in round thousands ("€000s").

***Disclosure exemptions adopted***

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- All disclosures required by IFRS 7;
- All disclosures required under IFRS 13;
- The effect of future accounting policies not yet adopted.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Cremonini S.p.A. These financial statements do not include certain/all disclosures in respect of business combinations

***Judgements and key areas of estimation uncertainty***

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the company's directors to exercise judgment in applying the company's accounting policies.

In the current year the company has adopted FRS 100 and FRS 101. In previous year the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with applicable UK accounting standards. Consequently the principal accounting policies are unchanged from the prior year. There have been no other material amendments to the disclosure requirements previously applied in accordance with applicable UK accounting standards. The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

***Computer software***

Computer software is carried at cost less accumulated amortisation and any provision for impairment. Externally acquired computer software and software licences are capitalised and amortised on a straight-line basis over their useful lives of three years.

***Tangible fixed assets and depreciation***

Fixed assets are stated at cost net of depreciation. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

| | | |
|---|---|---|
| Plant and machinery | - | 3 to 5 years |
| Computer software | - | 3 to 5 years |

***Stocks***

Stocks are stated at the lower of cost and net realisable value. Cost comprises all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location.

# Notes to the financial statements
***for year ended 31 December 2015***

## 1 Accounting policies (continued)

***Investments***

Investments are stated at cost less provision for impairment.

***Financial assets – loans and receivables***

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

***Financial liabilities***

Trade payables and other short-term liabilities are recognised at amortised cost.

Loan from group companies are recognised at amortised cost.

***Share Capital***

The company's ordinary shares are classified as equity instruments.

***Dividends payable***

Dividends are recognised when become legally payable. In the case of interim dividends to equity shareholders, this is when they are paid. In the case of final dividends, this is when approved by the shareholders at the AGM

***Provisions***

The company has recognised provisions for liabilities of uncertain timing. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

***Taxation***

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

***Leased assets***

Where sunstantially all of the risks and rewards incidental to ownership are not transferred to the company (an "operating lease"), the total rentals payable under the lease are charged to the statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

***Deferred taxation***

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised

# Notes to the financial statements
*for year ended 31 December 2015*

## 1 Accounting policies (continued)

***Deferred taxation (continued)***

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settle/(recovered).

***Foreign currencies***

Transactions entered into by the company in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Exchange gains and losses arising on the retranslation of monetary available for sale financial assets are treated as a separate component of the change in fair value and recognised in profit or loss. Notes to the financial statements.

The company financial statements are presented in Euro currency in order to be aligned with the Group consolidated currency. Average FX rate is at 1.3780 (2014: 1.2406) and FX closing rate is at 1.3605 (2014: 1.2841) to convert the sterling data into Euro. The FX rates are provided by the Bank of England.

In the United Kingdom the functional currency of the entity is GBP sterling and in France and in Belgium the functional currency of these entities is EURO. The results and financial position of foreign operations where the currency is different to the functional currency are translated into the presentation currency using the following procedures:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement are translated at exchange rates at the dates of the transactions. Where this is impracticable, an average rate for the year may be used provided that exchange rates do not fluctuate significantly.

All resulting exchange differences are recognised as a separate component of equity and shown within the foreign exchange reserve.

***Turnover***

Turnover, which excludes value added taxes, represents the revenues for the provision of the catering and related services on board of Eurostar trains. Turnover is recognised on delivery of the service. These are matched to the cost in the profit and loss account in the period in which they arise.

***Pension costs***

The company contributes to a defined contribution scheme for employees in the UK, France and Belgium. Pension costs are charged to the profit and loss account in the year in which they are accrued.

***Going concern***

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# Notes to the financial statements
***for year ended 31 December 2015***

## 2 Critical accounting estimates and judgements

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions do not carry a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

*Judgements – Revenue recognition*

The company has recognised revenue based on the actual invoices sent to the client Eurostar and any amount not invoiced is recognised only after receipt of the purchase order and only after agreement with the client.

*Estimates and assumption*

*(a) Useful lives of plant and equipment*

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten then depreciation charges in the financial statement would increase and carrying amounts of plant and equipment would reduce accordingly. The carrying amount of plant and equipment by each class is included in note 11.

## 3 Turnover

Momentum Services Limited provides catering and related services on board Eurostar trains running between the United Kingdom, France and Belgium. The directors consider that the company operates in one geographical segment, being Europe.

Turnover arises from:

| | 2015 | 2014 |
|---|---|---|
| | €'000 | €'000 |
| Sales of goods | **16,729** | 14,513 |
| Provision of services | **51,285** | 47,038 |
| Operating statement charges | **211** | 31 |
| | **68,225** | 61,582 |

The operating statement and ground revenue is in respect of the operating savings share fee levied as part of the on-board service and lounge contracts with Eurostar and in respect of profit share of sales at the bar buffet carriages.

Analysis of turnover by country of destination:

| | 2015 | 2014 |
|---|---|---|
| | €'000 | €'000 |
| United Kingdom | **36,403** | 31,458 |
| Rest of Europe | **31,822** | 30,124 |
| | **68,225** | 61,582 |

# Notes to the financial statements
***for year ended 31 December 2015***

## 4 Expenses by nature

Operating profit is stated after charging:

| | **2015** | 2014 | |
|---|---|---|---|
| | **€'000** | €'000 | |
| Staff costs (see note 6) | **33,655** | 30,636 | |
| Management charges | **300** | 400 | |
| Foreign exchange losses/(gains) | **359** | (57) | |
| Depreciation of fixed assets | **[illegible]** | 156 | 6 |

## 5 Auditor remuneration

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| Fees for the audit of the company | **34** | 30 |
| Fees for other services paid to other audit firms | **15** | 24 |

## 6 Staff number and costs

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

| **Average number of persons employed:** | **2015 No.** | 2014 No. |
|---|---|---|
| Managers | **17** | 19 |
| Clerical staff | **67** | 59 |
| Full time crew | **524** | 455 |
| Part time crew | **90** | 94 |
| Lounge | **43** | 42 |
| Temporary staff | **88** | 89 |
| | **829** | 758 |

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| **Staff costs during the year** | | |
| Wages and salaries | **26,131** | 23,727 |
| Social security costs | **5,900** | 5,389 |
| Pension costs (see note 19) | **1,624** | 1,520 |
| | **33,655** | 30,636 |

# Notes to the financial statements
***for year ended 31 December 2015***

## 7 Remuneration of directors

The aggregate remuneration of the individual directors of Momentum Services Limited for the year ended 31 December 2015 was as follows:

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| Directors' emoluments | **10** | 9 |

The chairman was employed by the company during the financial year and the emoluments disclosed above are for his services as chairman. All other directors served as directors of either the ultimate parent undertaking, other group companies or related parties. The emoluments of these directors have been borne by other group companies or related parties, and were not recharged to the company. Accordingly, the aggregate emoluments figures do not include any emoluments for these directors. None of the directors had any pension contributions made to them by the company.

Fabio Croce-Sebastiani's salary was paid by Momentum Services Limited and then re-charged to Chef Express S.p.A. for services related to Chef Express S.p.A. The outstanding balance owed to the company at 31 December 2015 in respect of these charges is €40,920 *(2014: €59,392)*. The total recharge for the year is €165,057 *(2014: €161,082)*.

## 8 Finance income and finance expenses

**Interest receivable and similar income**

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| Interest receivable from group undertakings | **-** | 6 |

**Interest payable and similar charges**

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| Interest on bank accounts and overdrafts | **2** | 30 |

# Notes to the financial statements
***for year ended 31 December 2015***

## 9 Taxation

*a) Analysis of charge in period:*

| | 2015 €'000 | 2014 €'000 |
|---|---|---|
| *UK corporation tax* | | |
| Current tax on income for the period | **336** | **152** |
| Double taxation relief | **(92)** | **(62)** |
| Adjustment in respect of prior years | **(95)** | **1** |
| | **149** | **91** |
| *Foreign tax* | | |
| Current tax on income for the period | **150** | **90** |
| Adjustment in respect of prior periods | **4** | **3** |
| Total current tax | **303** | **184** |
| *Deferred tax* | | |
| UK deferred tax | **32** | **18** |
| Impact of reduction in UK tax rate | **(7)** | **(1)** |
| Adjustments in respect of prior years | **14** | **(7)** |
| Total deferred tax | **39** | **10** |
| **Tax on profit on ordinary activities** | **342** | **194** |

*b) Factors affecting the current tax charge for the current year:*

The tax charge for the current year is lower at 19.6% *(2014: 18.3%)* than the standard rate of corporation tax in the UK of 20.25%, *(2014: 21.49%)* applied to the profit on ordinary activities before tax. The differences are explained below:

| | 2015 €'000 | 2014 €'000 |
|---|---|---|
| Profit on ordinary activities before tax | **2,174** | 1,389 |
| UK corporation tax at 20.25% *(2014: 21.49%)* of profit | **440** | 298 |
| *Effects of:* | | |
| Group relief from group companies lower than UK tax rate | **-** | (64) |
| Depreciation in excess of/(less than) capital allowances for the period | **(26)** | (16) |
| Deferred tax assets | **39** | 10 |
| Other short term timing differences – pension | **(7)** | (2) |
| Permanent disallowance | **(71)** | (64) |
| Higher rates on overseas earnings | **58** | 28 |
| Adjustments to tax charge in respect of previous periods | **(91)** | 4 |
| **Total tax expense (see above)** | **342** | 194 |

*c) Factors that may affect future tax charges:*

The company expects the tax rate in the future to be affected by factors similar to those in the current year. The main rate of corporation tax in the UK reduced to 20% in April 2015.

# Notes to the financial statements *(continued)*
***for year ended 31 December 2015***

## 10 Dividends

| | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|
| Total dividends paid | **800** | 700 |

The dividends paid in 2015 were €800,000 being the final dividend in respect of the year ended 31 December 2014.

The directors are proposing a final dividend of €8.01 *(2014: €3.56)* per share totalling €1,800,000 *(2014: €800,000)* at the forthcoming AGM but have not been approved at the Balance Sheet date. This dividend has not been accrued in the statement of financial position.

## 11 Fixed assets

| | Tangible Assets<br>€'000 | Computer Software<br>€'000 | Total<br>€'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2015 | **1,064** | **340** | **1,404** |
| Additions | 207 | - | 207 |
| Effect of exchange rate | 46 | 13 | 59 |
| **At 31 December 2015** | **1,317** | **353** | **1,670** |
| **Depreciation** | | | |
| At 1 January 2015 | **(912)** | **(331)** | **(1,243)** |
| Charge for the year | (75) | (5) | (80) |
| Effect of exchange rate | (40) | (12) | (52) |
| **At 31 December 2015** | **(1,027)** | **(348)** | **(1,375)** |
| **Net book value** | | | |
| **At 31 December 2015** | **290** | **5** | **295** |
| At 31 December 2014 | 152 | 9 | 161 |

## 12 Stock

| | 2015<br>€'000 | 2014<br>€'000 |
|---|---|---|
| Raw material and consumables | **390** | 208 |
| Finished goods for resale | **776** | 710 |
| | **1,166** | 918 |

# Notes to the financial statements *(continued)*
***for year ended 31 December 2015***

## 13 Debtors

| | 2015 €'000 | 2014 €'000 |
|---|---|---|
| Trade debtors | **938** | 501 |
| Prepayments and accrued income | **5,159** | 4,359 |
| Amounts owed by group undertakings and related party | **53** | 323 |
| Other debtors | **3,375** | 996 |
| Deposit | **31** | - |
| Shareholders loan (note 22) | **1,718** | 2,950 |
| Corporation tax | **102** | 16 |
| Deferred tax (note 15) | **17** | 56 |
| | **11,393** | 9,201 |

## 14 Creditors: amounts falling due within one year

| | 2015 €'000 | 2014 €'000 |
|---|---|---|
| Trade creditors | **5,421** | 5,584 |
| Corporation tax | **151** | - |
| Amounts owed to group undertakings and related parties (note 22) | **393** | 699 |
| Other taxation and social security | **1,973** | 2,651 |
| Accruals and deferred income | **5,131** | 7,706 |
| | **13,069** | 16,640 |

## 15 Deferred taxation

| | 2015 €'000 | 2014 €'000 |
|---|---|---|
| Accumulated depreciation in excess of capital allowances | **3** | 49 |
| Other short term timing differences | **14** | 7 |
| | **17** | 56 |

| | **€'000** |
|---|---|
| At 1 January 2015 | 56 |
| Charge to profit and loss account for current year | (32) |
| Credit to profit and loss account – Impact of reduction in UK tax rate | 7 |
| Credit to profit and loss account in respect of prior years | (14) |
| **At 31 December 2015** | **17** |

# Notes to the financial statements *(continued)*
***for the year ended 31 December 2015***

## 16 Called up share capital

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| **Authorised** | | |
| 225,000 Ordinary shares of €1.1967 each | **269** | 269 |
| **Allotted, called up and fully paid** | | |
| 225,000 Ordinary share of €1.1967 each | **269** | 269 |

Total shares issued are 225,000 with an aggregate nominal value of €269,257.

At the balance sheet date Ordinary shares were held by Chef Express UK Limited (225,000 shares with aggregate nominal value of €269,257).

## 17 Reserves

The following describes the nature and purpose of each reserve within equity:

| **Reserve** | **Description and purpose** |
|---|---|
| Share capital | Nominal value of share capital subscribed for. |
| Redenomination reserve | Redenomination of share capital from sterling to EURO currency |
| Exchange reserve | Foreign exchange gains and losses on capital reserves |
| Retained earnings | All other net gains and losses and transactions with owners (eg dividends) not recognised elsewhere. |

## 18 Commitments under operating leases

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

| | **2015** | 2014 |
|---|---|---|
| | **€'000** | €'000 |
| Not later than 1 year | **402** | 402 |
| Later than 1 year and not later than 5 years | **1,777** | 2,011 |
| Later than 5 years | **-** | 168 |
| | **2,179** | 2,581 |

# Notes to the financial statements *(continued)*
***for the year ended 31 December 2015***

## 19 Pension commitments and retirement benefits

The company pays into a number of defined contribution schemes in England, France and Belgium, the countries in which the company has employees. The contribution rates vary according to the scheme, with some employees being allowed to choose schemes and select the level of personal and company contributions.

The pension cost charge of €1,624,000 *(2014: €1,520,000)* represents contributions payable by the company to the fund.

The amount outstanding at the year end in respect of these contributions was €532,000 *(2014: 439,000).*

## 20 Reconciliation of net cash flow to movement in net debt

| | **2015 €'000** | **2015 €'000** | 2014 €'000 | 2014 €'000 |
|---|---|---|---|---|
| (Decrease)/Increase in cash in the year | **(4,770)** | | 4,364 | |
| Movement in loan less than one year | **(1,232)** | | 1,950 | |
| Movement in current investments | **-** | | - | |
| Movement in deposit | **31** | | (32) | |
| Change in net debt resulting from cash flows | **(5,971)** | | 6,282 | |
| Movement in net debts | | **(5,971)** | | 6,282 |
| Net funds at 1 January 2015 | | **10,934** | | 4,652 |
| **Net funds at 31 December 2015** | | **4,963** | | 10,934 |

## 21 Analysis of net funds

| | At 1 January 2015 €'000 | Cash Flows €'000 | Exchange differences €'000 | **At 31 December 2015 €'000** |
|---|---|---|---|---|
| Cash at bank and in hand | **7,984** | (4,619) | (151) | **3,214** |
| Other current investments | - | - | - | - |
| Deposit | - | 31 | - | **31** |
| Loan to the shareholders | **2,950** | (1,232) | - | **1,718** |
| | **10,934** | (5,820) | (151) | **4,963** |

# Notes to the financial statements *(continued)*
***for the year ended 31 December 2015***

## 22 Related party disclosures

***Transactions with group companies***

During the year the Company entered into the following transactions with fellow group undertakings which are wholly owned members of the group headed by Cremonini S.p.A.:

| | 2015 €'000 | 2014 €'000 |
|---|---|---|
| Amounts owed by fellow group undertakings | **53** | 323 |
| Amounts owed to fellow group undertakings | **393** | 699 |

At the balance sheet date the company has an outstanding creditor balance of €11,657 (2014: €24,933) with Railrest S.A. with regards to general business costs and a net creditor balance of €176,524 (2014: €506,348) with Lounge Service S.A.S. in relation to the sub-contract of the Business Premier Lounge in Paris.

At the balance sheet date the company has an outstanding debtor balance of €4,066 (2014: €619 creditor balance) with the related party, Cremonini Restauration S.A.S., for equipment rental and services.

Fabio Croce-Sebastiani's salary was paid by Momentum Services Limited and then re-charged to Chef Express S.p.A. for services related to Chef Express S.p.A (note 6).

The shareholders (or associated companies of the shareholders) have charged management fees with regard to the provision of financial, legal and general business services in 2015 of €300,000 *(2014: €400,000 Chef Express S.p.A.)*. €300,000 was charged by Chef Express S.p.A. at 31 December 2015, €187,000 *(2014: €167,000)* was due to Chef Express S.p.A. in the respect of management fees. These amounts are included within creditors due within one year (note 14).

***Transactions with parent company***

| | 2015 €'000 | 2014 €'000 |
|---|---|---|
| Amounts owed by parent company | **1,718** | 2,950 |

At the balance sheet date the company is fully 100% owned by Chef Express UK Limited, a subsidiary of Chef Express S.p.A.

The company entered in to an agreement to provide an intercompany credit facility to group parent company. At the balance sheet date the facility has been withdrawn by Chef Express UK Limited for €1,718,000 (note 13).

## 23 Ultimate parent company and control

The immediate parent undertaking at the balance sheet date is Chef Express UK Limited, a company incorporated and registered in the United Kingdom.

Chef Express UK Limited is owned 100% by Chef Express S.p.A., a company incorporated and registered in Italy.

## Notes to the financial statements *(continued)*
***for the year ended 31 December 2015***

### 23. Ultimate parent company and control (continued)

The smallest and largest group into which the company's results are consolidated are those of the ultimate parent company, Cremonini S.p.A, whose accounts can be obtained from the Company Secretary, Via Modena 53, 41014 Castelvetro di Modena, Italy.

### 24 First time adoption of FRS 101 Framework

This is the first time the company has adopted FRS 101 having previously applied applicable UK accounting standards.

The date of transition to FRS 101 was 1 January 2015.

Other than the adoption of the reduced disclosures there was no material effect of applying FRS 101 for the first time. The disclosure exemptions adopted are included in note 1 to the financials' statements.