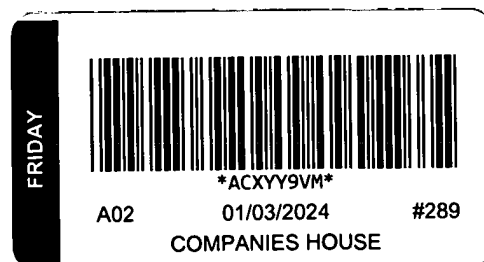


Company Registration No. 04613313 (England and Wales)



GABF HOLDINGS LIMITED
DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



COMPANY INFORMATION

Directors	C. Biasoni D.S. Cheeseman G. Cremonini A Ghirarduzzi
Secretary	A. Ghirarduzzi
Company number	04613313
Registered Office	60 Grays Inn Road London WC1X 8AQ
Auditors	Crowe U.K. LLP 3rd floor The Lexicon Mount Street Manchester M2 5NT
Business address	60 Grays Inn Road London WC1X 8AQ
Lawyers	Ashfords LLP 1 New Fetter Lane London EC4A 1AN

CONTENTS

	Page
Strategic report	4-7
Directors' report	8-10
Independent auditor's report	11-13
Statement of comprehensive income	14
Statement of financial position	15
Statement of change in equity	16
Notes to the financial statements	17-26

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Principal activities

The principal activity of the company is that of a holding company.

The company is the holding entity of the Great American Bagel Factory Group, and it is fully owned by Chef Express UK Limited, subsidiary of the Cremonini Group. The Cremonini Group is one of the largest food operators in Europe with a turnover of more than €5 billion. Its strong links with on-board train catering, railway stations, motorway, and commercial catering, means they are perfectly positioned to grow Bagel Factory further.

Market overview and key events

The performances of the Company's subsidiaries are disclosed and detailed in their respective Financial Statements for the financial year ended 31 December 2022.

During the financial year ended 31 December 2022, the business performance of the company's subsidiaries was still being impacted by the covid-19 pandemic for the first half of the year with the spread of omicron variance and then the end of the restrictions. The second part of the year, instead, showed a steady recovery of the business performance with significant increase in terms of sales and profit at EBITDA level. From the May 2022, all the units operated at full capacity achieving further increase in sales nearing pre-pandemic levels and making further improvement at operating profit levels.

Since the end of the covid-19 pandemic in February 2022, the stores of the company's subsidiaries have traded at full capacity for the remaining of 2022 achieving further increase in sales and much improved performance in terms of profit. The company's subsidiaries have also expanded the business with openings of 6 new stores throughout 2022 to date with Oxford Circus London Underground Station, which opened in February 2022, with London Bridge Station in Tooley Street, which opened in April 2022, with Newcastle Eldon Square and the second site in Excel Exhibition Centre, which both opened in July 2022, with Birmingham Grand Central, which opened in December 2022 and with Ealing Broadway Station which opened for trade in early January 2023.

Additional new stores openings have taken place during the financial year 2023 with Luton Airport in May 2023, Southampton West Quay in July 2023, Covent Garden in August 2023 and Liverpool Street in London in November 2023. Two further units are in the process to be opened in early 2024 at Westminster and Baker Street station in London with the lease contracts already completed by the landlords.

The shareholders have developed and approved a new strategic plan with the aim to take the company to a different level with opening further 8 in 2024 and 6 in 2025, with a healthy core product offer and with the expansion to new market channels such as delivery, catering and on-line take-away sales with the launch of the new website. During the financial year 2022 the company's subsidiaries to support this plan the company has invested further development in the e-commerce site and has launched a new loyalty the Bagel Factory App to increase and retain the customer base and enhance service and product offer. The app features a new rewards program and click and collect experience. The app is paired with a CRM Platform, Airship, which communicates with customers about loyalty perks, promotions and company updates.

The financial performance of the company's subsidiaries over the second half of 2022 and the latest forecast for full year 2023 indicates that the company has recovered in a satisfactory manner from the impact of the pandemic and the latest forecast of 2023 shows that the company is in much stronger position for the years ahead. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Results for the year

Profit after taxation for the financial year amounted to £15,866 (2021: *profit of 15,339*).

The main source of income is the trademark revenue charged to the Italian parent company, Chef Express S.p.A. and this is in line with the previous year 2021.

Key performance indicators

The revenue and the profit are the key performance indicators of the company and its subsidiaries.

Section 172 Statement

The Board of directors of GABF Holdings Limited consider, both individually and together, that they have acted in the way they consider good faith and promote the success of the company for the benefit of its members as a whole.

The Company is not required to adopt an official recognised corporate governance code. However, the Board of Directors have introduced an internal corporate governments code which establish rules and guidelines for strategic, commercial, financial, legal and employment matters. These duties are detailed in this section 172 of the UK Companies Act 2006 which is summarise below:

- **Risk Management**

The company subsidiaries provide business critical services for their clients in a highly regulated environment. It is therefore vital that the company effectively identify, evaluate, manage and mitigate the risks the business faces, and the company continues to evolve its approach to its risk management.

- **Business Relationship**

The Company's subsidiaries strategy is focused on delivering excellent customer service and on selling high quality standard products to their clients putting at their centre the development of strong customer relationships. The Company also values all its suppliers as they are key in enabling the Company to deliver its strategy. The company has long term contracts with its key suppliers.

- **Community and environment**

The Company's approach is to use its position of strength to create positive changes for the people and the communities with which the Company interact. The Company is committed to embrace the safeguard of the environment and its subsidiaries have introduced a series of initiatives to reduce carbon footprint and the usage of plastic in their activities.

- **Shareholders**

The Executive team and the Board of Directors are openly engaged with the Company shareholders as they recognise the importance of continuing an effective dialogue with the ultimate Parent Company, Cremonini S.p.A. and its shareholders. The shareholders are actively engaged in the Company affairs with their representatives being members of the Board of Directors. They support the Company and its subsidiaries by helping to deliver its key objectives and strengthening the position of the competitive markets through the sharing of human resources and expertise.

Sustainability and Environment

The Bagel Factory companies are dedicated to sustainable packaging and work continually with its suppliers to develop innovative packaging solutions. It's essential for the company to continue with the implementation of green programs and the use of recyclable and biodegradable packaging and utensils. This is an essential topic for the customers, to comply with the new law and it is a matter of ecological conscience for the benefit of the planet.

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022****Sustainability and Environment (continued)**

In that regard the company has been included in Cremonini Group Sustainability Report where Group has stated its commitment to achieve carbon neutrality by 2025 and this commitment applies to all companies within the group including Bagel Factory. To achieve this the company is committed to circularity where possible, removing single use plastics and increasing recycling rates. the circular economy strategies are put into practice in the day-to-day operation of each of our shops. From selecting suppliers to implementing innovative monitoring technologies to managing processes, all our choices lead to an effective reduction of the environmental impact of each individual store front.

Bagel Factory is actively encouraging energy production from renewable sources, implementing innovative energy saving systems, managing air conditioning systems continuously and constantly monitoring consumption. Controlled supply chain DOP and IGP certified ingredients and fresh and organic fruit and vegetables are grown in full compliance with sustainability targets.

By the 1st of October 2023 the company is becoming free plastic company with no display of plastic items in our shops and is consistently working for minimising packaging waste with putting in place a FIFO policy in place to reduce the food wastage and an emergency freezing procedure when products are near expiration date.

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 success of the company is dependent on the activities of the subsidiary companies: The Great American Bagel Factory and Bagel Nash Retail. The budget for 2024 approved by the shareholders December 2023, indicated that the company's subsidiaries business activities have recovered well from the effect of the covid-19 pandemic, and it indicates that the level of activities is expected to reach to the pre-covid levels with +200% increase in sales on full year basis in 2023 compared to 2022. Furthermore, a business plan for year 2024-2025 has also been approved by the shareholders which outlined the development plan of the business activities post covid with strong focus on enlarging sites portfolio, improving profitability, and controlling food and labour costs.

At the period end the company had net current liabilities of £1,165,339 (2021: £318,341).

The company is dependent on its own trademark income as well as dividends and receipt of intercompany receivables from its subsidiaries in order to meet its liabilities as they fall due. However, although there is some uncertainty about the current economic situation with the impact of the war in Ukraine, with high inflation and with the cost-of-living crisis likely to impact the consumers behaviour in 2023 and in the years to come 2024 onwards, the directors are constantly reviewing the forecast for the profit and loss account and for the cash flows of the company's subsidiaries and are expected to maintain positive level of cash flow. The latest forecast of 2023 and 2024 show that the company has sufficient resources to continue as going concern for a period of the next 12 months from the date of approval of these financial statements.

The company is reliant on its ultimate parent company Cremonini S.p.A. for financial support. The directors of Cremonini S.p.A. have confirmed that it is their intention to make resources available as necessary for the company to remain a going concern for at least 12 months from the date of signing the balance sheet. Having given consideration to the confirmation of support from the company's ultimate parent company, the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022**

By order of the board,



Gloria Cremonini

Director

Date: 28 February 2024

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Directors' and their interest

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

C. Biasoni
D. S. Cheeseman
G. Cremonini
A. Ghirarduzzi

None of the directors hold any interest in the company.

Ownerships

The company is 100% controlled by Chef Express UK Limited, subsidiary of the Cremonini Group. The Cremonini Group is one of the largest food operators in Europe with a turnover of more than €5 billion. Its strong links with on-board train catering, railway stations, motorway and commercial catering, means they are perfectly positioned to grow the Bagel Factory business further.

Directors' insurance and indemnities

The Company has entered into qualifying third-party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

Principal financial risk and uncertainty

The company financial risks are associated with the subsidiaries activities, The Great American Bagel Factory and Oil Bagel Trading Limited. These risks are not exceptional or different in nature from those that are customary in the industry. The company seeks to minimise potential adverse effects on its financial performance. The business activities and the key financial performances of its subsidiaries are discussed on pages 4-6 in the Strategic Report and also disclosed in the financial statement of its subsidiaries.

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 414C of the Companies Act 2006, the company has produced a Strategic Report which is set out on page 4. The directors have elected to disclose information, otherwise required to be disclosed in the directors report, in the strategic report. Information on likely future developments in the business of the company has been included in the Strategic Report on page 4.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Post balance sheet events

The post balance sheet events are disclosed in note 14 (page 25). The covid-19 pandemic has not been considered an on-going event any longer, although it still impacted the financial results in financial year ending 31 December 2022.

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

In accordance with Section 487 of the Companies Act 2006, Crowe LLP will be deemed to be re-appointed as auditors of the company.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Approval

The Directors' Report was approved by order of the Board on 28 February 2024.

A handwritten signature in black ink, appearing to read 'A. Ghirarduzzi', is written over the text of the signature block.

A. Ghirarduzzi
Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GABF HOLDINGS LIMITED**Opinion**

We have audited the financial statements of GABF Holdings Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Change in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 100 Application of Financial Reporting Requirements, and Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss 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.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GABF HOLDINGS LIMITED**Opinion on other matters prescribed by the Companies Act 2006**

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

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

Matters on which we are required to report by exception

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

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

- 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, and Taxation and Financial Services legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, and trademark revenue recognition.

- Management override of controls. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for indication of bias.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GABF HOLDINGS LIMITED**Auditor's responsibilities for the audit of the financial statements (continued)**

- Trademark revenue recognition. Our audit procedures included consideration of the design of controls around revenue recognition; verification that revenue is being generated in line with a signed license contract; and sample testing of transactions taking place within the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.



Michael Jayson (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

Date: 29 February 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022	2021
		£	£
Turnover	3	18,506	17,917
Administrative expenses		(2,640)	(2,578)
Operating Profit		15,866	15,339
Interest payable and similar charges		-	-
Profit on ordinary activities before taxation		15,866	15,339
Tax on profit on ordinary activities	6	-	-
Profit and total comprehensive loss for the financial period		15,866	15,339

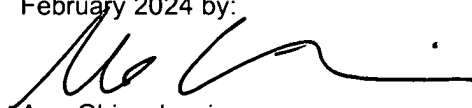
The results shown above are derived wholly from continuing operations.

The notes from page 17-26 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	2022	2021
		£	£
Current assets			
Debtors	8	862,864	910,388
Cash at bank and in hand		-	-
		<u>862,864</u>	<u>910,388</u>
Creditors: amounts falling due within one year	9	<u>(1,165,339)</u>	<u>(1,228,729)</u>
Net current liabilities		<u>(302,475)</u>	<u>(318,341)</u>
Total assets less current liabilities		<u>(302,475)</u>	<u>(318,341)</u>
		<u>(302,475)</u>	<u>(318,341)</u>
Capital and reserves			
Called up share capital	10	723,763	723,763
Share premium account	11	3,976,356	3,976,356
Profit and loss account	11	<u>(5,002,595)</u>	<u>(5,018,460)</u>
Equity shareholders' funds		<u>(302,475)</u>	<u>(318,341)</u>

These financial statements were approved by the board of directors on and were signed on its behalf on 28 February 2024 by:


A. Ghirarduzzi
Director

Company Registration No. 04613313

The notes from page 17-26 form part of these financial statements.

**STATEMENT OF CHANGE IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Share Capital £	Share Premium £	Profit and Loss Account £	Total shareholder Funds £
At 1 January 2021	723,763	3,976,356	(5,033,799)	(333,680)
Profit for the year	-	-	15,339	15,339
At 1 January 2022	723,763	3,976,356	(5,018,460)	(318,341)
Profit for the year	-	-	15,866	15,866
At 31 December 2022	<u>723,763</u>	<u>3,976,356</u>	<u>(5,002,594)</u>	<u>(302,475)</u>

+

The notes from page 17-26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies**Reporting entity**

The company is incorporated and domiciled in the United Kingdom. These Financial Statements comprise the Company. The Company is a holding company of The Great American Bagel Factory Group and the principal activity is the preparation and the sale of bagels and associated products, operating primarily in the United Kingdom. The company is 100% shareholders of The Great American Bagel Factory Limited and Oi Bagel Trading Limited. The company was incorporated on 1 August 1996 as private company limited by shares in the United Kingdom.

Statement of compliance

The company financial statement have been prepared in accordance with the applicable Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Framework.

Functional and presentational currency

These financial statements are presented in pounds Sterling (£), which is the company presentational currency. The functional currency of the company is pounds sterling. The functional currency is pounds sterling for the subsidiary companies, The Great American Bagel Factory Limited and OI Trading Limited. All amounts have been rounded are the nearest pound, unless otherwise indicated.

Basis of preparation

These Financial Statement have been prepared on historical cost basis. The principal accounting policies adopted in the preparation of the financial statement are set out below. The accounting policies set out below have been applied consistently to all periods presented in these Financial Statement.

Going concern

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 success of the company is dependent on the activities of the subsidiary companies: The Great American Bagel Factory and Bagel Nash Retail. The budget for 2024 approved by the shareholders December 2023, indicated that the company's subsidiaries business activities have recovered well from the effect of the covid-19 pandemic, and it indicates that the level of activities is expected to reach to the pre-covid levels with +200% increase in sales on full year basis in 2023 compared to 2022. Furthermore, a business plan for year 2025-2026 has also been approved by the shareholders which outlined the development plan of the business activities post covid with strong focus on enlarging sites portfolio, improving profitability, and controlling food and labour costs.

The company is reliant on its ultimate parent company Cremonini S.p.A. for financial support. The directors of Cremonini S.p.A. have confirmed that it is their intention to make resources available as necessary for the company to remain a going concern for at least 12 months from the date of signing the balance sheet. Having given consideration to the confirmation of support from the company's ultimate parent company, the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

The company is dependent on its own trademark income as well as dividends and receipt of intercompany receivables from its subsidiaries in order to meet its liabilities as they fall due.

At the period end the company had net current liabilities of £1,165,339 (2021: £318,341).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

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;
- a statement of cash flows;
- the effect of future accounting standards 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

Changes in accounting policies

a) New standards, interpretations and amendments effective from 1 January 2022.

New standards continue to be adopted in the annual financial statement for the year ended 31 December 2022, and which have given rise to changes in the Company's accounting policies are:

- Amendment to IFRS 16, 'Leases' - COVID-19 Rent related concessions (May 2020 and March 2021).
- Narrow scope amendments IAS 16, 'Property, plant and equipment'.
- Amendments to IAS 1, 'Presentation of financial statements', IFRS Practice statement 2 and IAS 8, 'Accounting policies, changes in accounting estimates and errors'

Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

Amendment to IFRS 16, 'Leases' - COVID-19 Rent related concessions (May 2020 and March 2021)

In May 2020, the IASB issued *Covid-19-Related Rent Concessions (Amendment to IFRS 16)* that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of Covid-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the Covid-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

On 31 March 2021, in light of the ongoing pandemic, the IASB published an additional amendment to extend the date from 30 June 2021 to 30 June 2022. The March 2021 amendment is to be applied retrospectively, recognising the cumulative effect of initially applying that amendment as an adjustment to

In the current financial year, the Company has applied the amendment to IFRS 16 in their Financial Statements ending 31 December 2022.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies (continued)***Changes in accounting policies (continued)*****Narrow scope amendments IAS 16, 'Property, plant and equipment'**

IAS 16 requires that the cost of an asset includes any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. One of those costs is testing whether the asset is functioning properly.

The amendment to IAS 16 prohibits a company from deducting from the cost of an item of PP&E any proceed received from selling items produced while the entity is preparing the asset for its intended use and any discount received from the installation costs.

This amendment will come into effect on or after 1 January 2022. The Company has the intention to adopt this new amendment to IAS 16 in the event of the purchase of any assets which are required to be considered under IAS 16.

Amendments to IAS 1, 'Presentation of financial statements', IFRS Practice statement 2 and IAS 8, 'Accounting policies, changes in accounting estimates and errors'

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted (subject to any local endorsement process).

The IASB amended IAS 1, 'Presentation of Financial Statements', to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

The amendment to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies' changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The Company is intending to adopt these new amendments on or after 1 January 2023 when they are coming into effect. The amendments should help the company to improve accounting policy disclosures, either by making the disclosures more specific to the entity or by reducing generic disclosures that are commonly understood applications of IFRS and to distinguish changes in accounting estimates from changes in accounting policies.

These amendments are not expected to have a significant impact on the preparation of financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies (continued)**Changes in accounting policies (continued)****b) New standards, interpretations and amendments not yet effective**

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these are as follows, which are all effective for the period beginning 1 January 2022 and subsequent financial years:

- IFRS 17 Insurance Contracts
- *Narrow Scope Amendments to IFRS Standards*
- *Deferred Tax related to Assets and Liabilities arising from a single transaction.*
- Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*

The GABF Holdings Limited and its subsidiaries are currently assessing the impact of these new accounting standards and amendments. The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company and its subsidiaries except for IFRS 17 Insurance contract.

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. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

1. Accounting policies (continued)**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.

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.

Profit from operations

Profit from operations comprises the results of the company before interest receivable and similar income, interest payable and similar charges, corporation tax and deferred tax. The company has not been charged any audit fee. The cost of fee has been borne by the subsidiary, The Great American Bagel Factory Limited.

Leased assets

IFRS 16 was adopted 1 January 2019 without restatement of comparative figures. IFRS 16 are disclosed in the Company's subsidiaries Financial Statements. The Company's subsidiaries account for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. The Company's subsidiaries consider whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Turnover

Turnover, which excludes value added taxes, comprises revenues from the trademarks charged to other company of the Group for using the bagel factory brands and products.

Group Accounts

Under section 401 of the Companies Act 2006 the group is exempt from the requirement to prepare group accounts. Therefore, the accounts present information about the company as an individual undertaking and not about its group.

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 adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

2. Critical accounting estimates and judgements (continued)

(a) Judgements – Intercompany receivables

The intercompany loans are recognised at amortised cost. The company has received confirmation from the ultimate parent company that they will guarantee the recovery of intercompany receivables. On this basis no expected credit loss or impairment has been recorded.

3. Turnover

Turnover arises from:

	2022 £	2021 £
Trademark income	18,506	17,917
	<u>18,506</u>	<u>17,917</u>

4. Remuneration of directors

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.

5. Auditor's remuneration

The cost of the audit remuneration is borne by the subsidiary company, The Great American Bagel Factory Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

6. Taxation	2022	2021
	£	£
Profit on ordinary activities before tax	15,866	15,339
Tax on profit on ordinary activities at standard rate 19% (2021: 19%)	3,015	2,914
Effects of:		
Fixed asset differences		
Group relief surrendered/(claimed)		
Adjust closing deferred tax to average rate of 19% (2021: 19%)	-	-
Adjust opening deferred tax to average rate of 19% (2021: 19%)	952	-
Remeasurement of deferred tax for changes in tax rates	-	-
Movement in deferred tax not recognised	(3,967)	(2,914)
	<hr/>	<hr/>
Total tax charges for the year	-	-
	<hr/>	<hr/>
Unrecognised deferred tax at 19% (asset)		
Fixed asset timing differences	-	-
Short term timing differences	-	-
Losses and other deduction	(3,966)	(2,914)
	<hr/>	<hr/>
	(3,966)	(2,914)
	<hr/>	<hr/>

The company has estimated losses of £157,003 (2021: £172,869) available for carry forward against future trading profits. The trading losses carried forward are related to non-trade loan relationship of £150,277 and excess management expenses carried forward of £6,726.

The corporation tax main rate remains at 19% for the financial year beginning 1 April 2022. From April 2023 onwards, the main rate of Corporation Tax will rise from 19% to 25%. The rise in the corporation tax could impact the unrecognised deferred tax assets. Although the current 19% rate will still apply if profits are £50,000 or less.

7. Fixed assets investments

	Share in group undertaking and participating interests £
Cost	
at 31 December 2021 and 31 December 2022	2,158,113
	<hr/>
Provisions for diminution in value	
at 31 December 2021 and 31 December 2022	2,158,113
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

7. Fixed assets investments (continued)

Net book value

At 31 December 2021

-

At 31 December 2022

-

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

	Country of Incorporation	Registered Address	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>				
The Great American Bagel Factory Limited	England and Wales	90a Tooley Street, London SE1 2TH, UK	100% - Ordinary	Concession Catering
The Second Cup Coffee Limited	England and Wales	90a Tooley Street, London SE1 2TH, UK	100% - Ordinary	Concession Catering – Dissolved
Oi! Bagel Trading Limited	England and Wales	90a Tooley Street, London SE1 2TH, UK	100% - Ordinary	Concession Catering
Bagel Nash Retail Limited*	England and Wales	90a Tooley Street, London SE1 2TH, UK	100% - Ordinary	Concession Catering

*Denotes indirect holding

8. Debtors

	Note	2022	2021
		£	£
Trade debtors		-	-
Amounts owed by group undertakings and related party	12	860,095	907,619
Other debtors		2,769	2,769
		<u>862,864</u>	<u>910,388</u>

9. Creditors: amounts falling due within one year

		2022	2021
		£	£
Amounts owed to group undertakings and related party	12	1,165,339	1,228,729

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

10. Share capital

	2022	2021
	£	£
Authorised, allotted, called up and fully paid		
7,237,644 Ordinary shares of 10p each	723,763	723,763

11. 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.
Share premium	Amount paid by shareholders exceeding value of shares
Retained earnings	All other net gains and losses and transactions with owners (eg dividends) not recognised elsewhere.

12. Related party disclosures

Transactions with group companies

At the year end, the Company recognized the following balances with other wholly owned members of the group headed by Cremonini S.p.A.:

	2022	2021
	£	£
Amounts owed by fellow group undertakings	860,095	907,619
Amounts owed to fellow group undertakings	1,165,339	1,228,729

Within debtors there is an outstanding intercompany balances of £819,994 (2021: £889,001) from the subsidiary company Oll Bagel Trading Limited.

Within debtors there is an outstanding balance of £40,101 (2021: £18,618) from the Chef Express S.p.A. in relation to trademarks fee.

Within creditors there is an outstanding intercompany balance of £1,165,339 (2021: £1,228,729) in relation to the subsidiary company, the Great American Bagel Factory Limited.

All intercompany balances payable and receivable are interest free and repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

13. Ultimate Parent Company and Control

The immediate parent undertaking is Chef Express UK Limited, a company incorporated in England and Wales.

The company is an indirect but wholly owned subsidiary of Cremonini S.p.A. a company incorporated in Italy which publishes consolidated financial statements. Consequently, the company has taken advantage of the exemption under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Cremonini S.p.A. group.

The ultimate parent undertaking is Cremonini S.p.A, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Cremonini S.p.A.'s consolidated financial statements can be obtained from the Company Secretary, via Modena 53, 41014 Castelvetro di Modena, Italy.

14. Post Balance Sheet event

The company considered to have included all necessary provisions at the Balance Sheet date 31 December 2022 and no further adjustment is deemed to be required at the date of the approval of these financial statements.