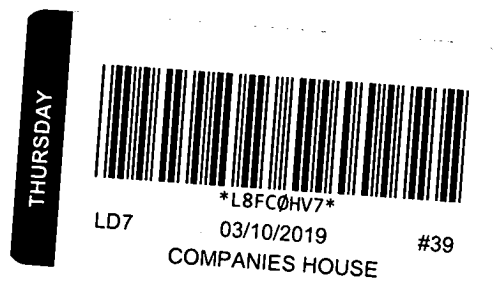


Company Registration No. 06110067 (England and Wales)

BAGEL NASH (RETAIL) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018



COMPANY INFORMATION

Directors	C. BIASONI D.S. CHEESEMAN A. GHIRARDUZZI
Secretary	A. GHIRARDUZZI
Company number	06110067
Registered Office	90a Tooley Street London SE1 2TH
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Business address	90a Tooley Street London SE1 2TH
Bankers	HSBC Plc Leeds City Branch 33 Park Row West Yorkshire LS1 1LD

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**STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Principal activities

The principal activity of the company is the preparation and sale of bagels and associated products including soft drinks and beverages.

Market overview and key events

The company was acquired by The Great American Bagel Factory Limited, part of the Cremonini Group, on 21 September 2018 for a total consideration price of £838,121. The company is 100% subsidiary of The Great American Bagel Factory Limited.

The company operates in the same market segment and the acquisition is part of the strategy implementation of The Great American Bagel Factory Limited to expand the core activities in the geographical segment of the North of England.

The main activities of Bagel Nash (Retail) Limited are concentrated in shopping malls and business centres in the North of England with 11 locations across Leeds, York, Huddersfield, Hull and Manchester. The product offer is consistent with the one applied by the Great American Bagel Factory Limited.

The acquisition of Bagel Nash (Retail) Limited gives the Bagel Factory Group the platform to have recognisable presence in the shopping malls and the opportunity to expand further in other shopping centres in large cities in England.

Strategy

The company has reviewed the product ranges in order to improve volumes further. The product offer have been rationalised to meet customers' request and to be aligned to the Great American Bagel Factory Company. The key strategic objective is to integrate the company's store's within The Great American Bagel Factory portfolio. The plan to refurbish and rebrand some of the existing outlets is the key action point for the next twelve months.

The company has plans to expand the catering offer with Deliveroo and Uber Eats delivering products to offices and takeaway customers. The partnership is now in operation in 4 sites and further expansion is planned for 2019 for the remaining Bagel Nash stores.

The key elements of the strategy, therefore, are:

- Consolidate sales and profit in the key existing sites such as Arndale, Spinningfields, White Rose, St. Paul, York Outlet and Huddersfield.
- Improve sales and operational efficiencies in the under-performing sites such Thornton, Coppergate and Hull.
- Expand by opening new sites when they fit the company strategic conditions and develop further the catering offer.

Results for the period

Loss after taxation for the financial period ending 31 December 2018 amounted to £29,399 (01/05/2017-30/04/2018: loss of £308,517).

The financial period ended 31 December 2018 includes the 8 months period from 1st of May 2018 following the change of the accounting period reference after the completion of the acquisition on 21 September 2018.

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Key performance indicators

The revenue and the (loss)/profit are the key performance indicators of the company. Revenue and profit have recorded a significant decrease compared to 2017.

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's future revenues are dependent on maintaining satisfactory levels of sales in key sites and on the renegotiation of their leases and availability of staff. The majority of company leases are not expiring before 2023. The directors are also confident that new sites will be opened during the next financial year to improve profitability.

The company's success is also dependent by the trend of the macro-economic environment in the United Kingdom and the revenues could be subjected to fall in the event of an economic crisis and during a period of recession. In these situations the company could be 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.

The company considers Brexit a principal risk approaching the 31st October 2019, the date when the United Kingdom is set to leave the European Union and with the significant uncertainty concerning the terms of the withdrawals. The key risk is around customs tariff, supply chain friction and labour mobility. The directors have been working to take the necessary measures to mitigate such risks and a specific plan has been put in place for the labour market implication, for the availability of goods and products for potential increases in food and beverage prices. The directors are constantly monitoring the outcome of the Brexit negotiation with any potential other risks that may arise from it.

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.

By order of the board,



David Cheeseman

Director

Date: 30/09/2019

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Directors' and their interest

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

- C. Biasoni (appointed 21 September 2018)
- D. S. Cheeseman (appointed 21 September 2018)
- A. Ghirarduzzi (appointed 21 September 2018)
- A. Micklethwaite (resigned 21 September 2018)
- S. J. Micklethwaite (resigned 21 September 2018)

None of the directors hold any interest in the company.

Ownerships

The company is part of the Great American Bagel Factory Group and it is fully owned by The Great American Bagel Factory Limited, which 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 €4 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.

Accounting reference period

On 21 September 2018 a form was registered at Companies House extending the company's Accounting Reference Period to end on 31 December 2018. The company's Accounting Reference Date is now 31 December. The financial information of the period ending 31 December are including the 8 months from 01 May 2018 to 31 December 2018.

Dividend

No dividend was paid during the financial period ending December 2018. No dividend has been proposed for the current financial year.

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 activities expose it to a variety of financial risks. 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.

(a) Market risk

(i) Price risk

The price risk is associated to the increase of the cost of material to produce food and drinks and to the inflationary price increases from suppliers. The company try to mitigate the price risk by establishing prices and conditions in advance with the main suppliers and by managing and adjusting the sales prices. The company takes a view that its currency policy on price risk is well balanced.

(b) Credit risk

The company's cash and cash equivalent are held in the HSBC bank accounts. The company limit the associated credit risk as a result of the Group's policy to work only with respectable banks and financial institutions.

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Principal financial risk and uncertainty (continued)***(i) Trade debtors risk***

The trade debtors risk is associated with inability of the customers to pay for the sales of goods. The company limit the risk the associated risk with the request of deposit and advance payments.

(ii) Liquidity and cash flow risk

The company has positive cash flow and it expect to continue for the next twelve months from the balance sheet date. The company positive cash flow is dependent by the revenues which could be subjected to fall in the event of an economic crisis and during a period of recession. In these situations the company could be reliant on its ultimate parent company Cremonini, which guarantee for financial support.

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. Information on likely future developments in the business of the company has been included in the Strategic Report on pages 4 and 5.

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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Directors' responsibilities (continued)

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 the Companies Act 2006 a resolution proposing the re-appointment of BDO LLP as Auditor will be put to the members.

Approval

The Directors' Report was approved by order of the Board on ~~30~~ September 2019.



A. Ghirarduzzi
Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAGEL NASH (RETAIL) LIMITED**Opinion**

We have audited the financial statements of Bagel Nash (Retail) Limited ("the Company") for the period from 1 May 2018 to 31 December 2018 which comprise the Statement of comprehensive income, Statement of financial position, Cash flow statement, Statement of changes in equity and notes to the financial statements, 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 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 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 THE GREAT AMERICAN BAGEL
FACTORY LIMITED (CONTINUED)****Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 and Director's 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; or

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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

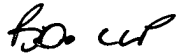
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GREAT AMERICAN BAGEL
FACTORY LIMITED (CONTINUED)****Use of the 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.



Dominic Stammers (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
2 October 2019

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Note	31/12/2018 8 months £	30/04/2018 12 months £
Turnover	3	1,752,633	2,684,159
Cost of sales		(541,003)	(724,639)
Gross profit		1,211,630	1,959,520
Depreciation	4	(82,979)	(231,696)
Staff costs	6	(562,114)	(868,641)
Administrative expenses		(595,936)	(945,110)
Exceptional items		-	(60,499)
Fixed assets loss on disposals		-	(63,966)
Tangible assets impairment losses		-	(98,125)
(Loss)/Profit on ordinary activities before taxation	4	(29,399)	(308,517)
Tax on profit on ordinary activities	8	-	-
(Loss)/Profit and total comprehensive profit for the financial period		(29,399)	(308,517)

The results shown above are derived wholly from continuing operations.

The notes from page 16 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Note	31/12/2018		30/04/2018	
		£	£	£	£
Fixed assets					
Tangible assets	9		412,530		474,944
			<u>412,530</u>		<u>474,944</u>
Current assets					
Stock	10	69,080		76,467	
Debtors	11	204,902		235,433	
Cash at bank and in hand		244,986		65,397	
		<u>518,968</u>		<u>377,297</u>	
Creditors: amounts falling due within one year	12	(619,411)		(967,655)	
		<u></u>		<u></u>	
Net current liabilities			(100,443)		(590,358)
			<u></u>		<u></u>
Provision for liabilities			-		(50,000)
					<u>(50,000)</u>
Total assets less current liabilities			312,087		(165,414)
			<u>312,087</u>		<u>(165,414)</u>
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		311,987		(165,514)
			<u>311,987</u>		<u>(165,514)</u>
Equity shareholders' funds			312,087		(165,414)
			<u>312,087</u>		<u>(165,414)</u>

These financial statements were approved by the board of directors on 30 September 2019 and were signed on its behalf by:



A. Ghirarduzzi

Director

Company Registration No. 06110067

The notes from page 16 form part of these financial statements.

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	<i>Note</i>	31/12/2018 £	30/04/2018 £
Cash flows from operating activities			
(Loss)/Profit for the financial year		(29,399)	(308,517)
Adjustment for depreciation	4	82,979	231,696
Adjustment for provision		-	50,000
Disposal of tangible fixed assets		-	(17,328)
Tangible assets impairment losses		-	98,125
		<hr/>	<hr/>
Operating profit before working capital changes		53,580	53,976
Decrease in stocks		7,386	34,022
Decrease/(Increase) in debtors		30,531	(12,514)
(Decrease) in creditors		99,538	(99,966)
		<hr/>	<hr/>
Cash from operations		191,035	(24,482)
Interest received		-	-
		<hr/>	<hr/>
Net cash generated from operating activities		191,035	(24,482)
 Cash flow from investing activities			
Purchase of tangible fixed assets	9	(11,446)	(14,045)
		<hr/>	<hr/>
Net cash from investing activities		(11,446)	(14,045)
		<hr/>	<hr/>
Increase/(Decrease) cash and cash equivalents	18	179,589	(38,527)
Cash and cash equivalents at beginning of period		65,397	103,924
		<hr/>	<hr/>
Cash and cash equivalents at the end of the period	18	244,986	65,397

The notes from page 16 form part of these financial statements.

**STATEMENT OF CHANGE IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Share Capital £	Profit and Loss Account £	Total shareholder Funds £
At 1 May 2017	100	143,003	143,103
Dividends paid	-	-	-
Loss for year	-	(308,517)	(308,517)
At 1 May 2018	100	(165,514)	(165,414)
Dividends paid	-	-	-
Shareholders Loan to reserve	-	506,900	506,900
Loss for the year	-	(29,399)	(29,399)
At 31 December 2018	100	311,987	312,087

The notes from page 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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 trading 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% owed by The Great American Bagel Factory Limited. The company was incorporated on 16 February 2007 as private company limited by shares in the United Kingdom.

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. All amounts have been rounded to the nearest pound, unless otherwise indicated.

Basis of preparation

The company 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.

This is the first time that the company have adopted the Financial Reporting Standard 101 Framework. The company had previously adopted the Financial Reporting Standard 102 Framework and no material changes have occurred in the accounting disclosure as result of this change.

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.

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 2018.

The following new standards, amendments and interpretations are effective for the first time for periods beginning on or after 1 January 2018 but have not had a material effect on the Group and so have not been discussed in detail in the notes to the financial statements:

- IFRS 9 Financial Instruments and
- IFRS 15 Revenue from contracts with Customers

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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 IASB that are effective in future accounting periods that the company has decided not to adopt early. The most significant of these is:

- IFRS 16 Leases (Mandatory effective for periods beginning on or after 1 January 2019)

Adoption of IFRS 16 will result in the company recognising right to use assets and lease liabilities for all contracts that are, or contain, a lease. For the leases currently classified as operating leases, under current accounting requirements the company spreads the lease payments on a straight line basis over the lease term, disclosing in its annual financial statements the total commitment.

The Board has decided it will apply the modified retrospective adoption method in IFRS 16 and, therefore, will only recognise leases on balance sheet as at 1 January 2019. In addition, it has been decided to measure right-to-use assets by reference to the measurement of the lease liability on that date.

The directors are still assessing the impact of this new standard. The amounts payable under non-cancellable lease contracts at the financial year end 2018 is £2,562,274 with £389,902 due within one year and £2,172,372 due within five years and over (note 17)

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)**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.

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 fair value.

Loan from group companies are recognised at fair value.

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.

Provision for onerous leases, measured net of expected rental income, are recognised when the property leased becomes vacant and is no longer used in the operations of the business.

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 substantially 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)**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

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).

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.

Turnover

Turnover, which excludes value added taxes, comprises revenues from the sales of bagels and other food and drinks products in the kiosks and shops or to wholesale customers. Turnover is recognised on completion of the Company's performance obligations.

Operating leases

The operating leases are recognized as an expense in the income statement over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern of the user's benefit

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.

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.

*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 9.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

3. Turnover

Turnover arises from:

	31/12/2018	30/04/2018
	8 months	12 months
	£	£
Sales of bagels and related products	1,752,283	2,684,159
Wholesale income	350	-
	<u>1,752,633</u>	<u>2,684,159</u>

4. Operating profit and turnover

	<i>Note</i>	31/12/2018	30/04/2018
		8 months	12 months
		£	£
Operating (loss)/profit is stated after charging:			
Depreciation	9	82,979	231,696
Advice and consultancy		9,963	-
Dilapidation cost		12,769	-
Cost of sales		541,003	724,639
Operating lease charges		286,737	458,857
		<u>286,737</u>	<u>458,857</u>

Turnover and profit before tax are attributable to the one principal activity of the company. Turnover is fully generated in UK.

Advice and consultancy fees have been in relation to the acquisition work from The Great American Bagel Factory Group.

Dilapidation cost are in relation to the closure of the Nottingham store pre acquisition from The Great American Bagel Factory Group.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

5. Auditors' remuneration

	31/12/2018	30/04/2018
	£	£
Fees for the audit of the company	9,000	5,540

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:

	31/12/2018 No.	30/04/2018 No.
Average number of persons employed:		
Managers	1	1
Clerical staff	-	-
Workers	62	60
	<u>63</u>	<u>61</u>

	31/12/2018 8 months £	30/04/2018 12 months £
Staff costs during the year		
Wages and salaries	550,731	833,895
Social security costs & Pension	11,383	34,746
	<u>562,114</u>	<u>868,641</u>

7. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

8. Taxation

	<i>Note</i>	31/12/2018	30/04/2018
		£	£
Analysis of tax charges/(credit) for the period			
Current tax		-	-
UK corporation tax at 19.00% (30/04/2018: 19.25%)		-	-
Deferred tax			
Origination and reversal of timing differences		-	-
Tax on ordinary profit		-	-

The tax charge for the year can be reconciled to accounting profit as follows:

	31/12/2018	30/04/2018
	£	£
(Loss) before tax	(29,399)	(308,517)
Tax on loss on ordinary activities at standard rate of 19.00% (30/04/2018: 19.25%)	(5,586)	(59,389)
Effect of:		
Fixed asset depreciation	15,767	31,261
Loss on fixed assets disposal	352	12,313
Tangible asset impairment losses	-	18,889
Permanent disallowance	-	9,844
Capital allowances	-	(20,832)
Utilization Tax losses brought forward	(10,533)	-
Tax losses carried forward	-	7,914
Total tax charge/(credit) for the period	-	-

The company has estimated trading losses of £460,935 (30/04/2018: £330,194) available for carry forward against future trading profits.

The company expects the tax rate in the future to be affected by factors similar to those in the current year. At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax main rate (for all profits except ring fence profits) for the year starting 1 April 2020, setting the rate at 17%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

9. Fixed assets

	Land and buildings £	Plant and machinery etc. £	Total £
Cost			
At 01 May 2018	774,365	869,309	1,643,674
Additions	-	11,446	11,446
Disposals	(180,971)	(15,602)	(196,573)
At 31 December 2018	593,394	865,153	1,458,547
Depreciation			
At 01 May 2018	533,870	624,860	1,158,730
Charge for the period	46,213	36,766	82,979
Disposals	(180,836)	(14,856)	(195,692)
At 31 December 2018	399,247	646,770	1,046,017
Net book value			
At 31 December 2018	194,147	218,383	412,530
At 30 April 2018	240,495	244,449	484,944

10. Stock

	31/12/2018	30/04/2018
	£	£
Raw material and consumables	69,080	76,467
	69,080	76,467

11. Debtors

	£	£
	31/12/2018	30/04/2018
Trade debtors	10,361	640
Prepayments and accrued income	194,541	234,793
	204,902	235,433

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

12 Creditors: amounts falling due within one year

		31/12/2018	30/04/2018
		£	£
Trade creditors		269,412	307,346
Amount owed to group undertakings and related party	19	201,401	545,351
Taxation and social security		86,233	71,321
Other creditors		-	43,637
Accruals and deferred income		62,366	-
		<u>619,412</u>	<u>967,655</u>

The amount owed to Group undertakings and related party of £201,401 as at 31/12/2018 is in relation to the intercompany credit balance with the immediate parent company The Great American Bagel Factory Limited.

The amount owed to Group undertakings and related party of £545,351 as at 30/04/2018 is in relation to the shareholders loan from the former parent company Bagel Nash Bakery Limited. The loan was written off to the profit and loss account before the completion of acquisition from the Great American Bagel Factory as per the sales purchase agreement on 21 September 2018. The amount as at 21 September was £506,900.

13 Share capital

	31/12 2018	30/04/2018
	£	£
Authorised, allotted, called up and fully paid		
10,000 Ordinary shares of 1p each	<u>100</u>	<u>100</u>

14 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.
Retained earnings	All other net gains and losses and transactions with owners (eg dividends) not recognised elsewhere, including the shareholders' loan moved to retained earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

15 Financial commitments

The company was committed to making the following payments under non-cancellable operating leases in the period to 31 December 2018:

	31/12/2018	30/04/2018
	£	£
Operating leases which expire within one year	389,902	389,902
Operating leases which expire from one to five years	1,246,858	866,543
Operating leases which expire over five years	925,514	-
	<u>2,562,274</u>	<u>1,256,445</u>

The above lease commitments represent the minimum amounts payable under the terms of the respective agreements. In addition to the above further amounts may be payable dependent upon turnover of the individual retail units.

16 Analysis of net funds

	At 1 May 2018	Cash flow	Non-cash Movements	At 31 December 2018
	£	£	£	£
Cash at bank and in hand	65,397	179,589	-	244,986
	<u>65,397</u>	<u>179,589</u>	<u>-</u>	<u>244,986</u>

17 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.:

	31/12/2018	30/04/2018
	£	£
Amounts owed to fellow group undertakings	<u>201,401</u>	<u>545,341</u>

Within creditors there is an outstanding intercompany balance of £201,401 (2017: nil) to The Great American Bagel Factory Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

17. Related party disclosures (continued)

Within creditors there was an outstanding balance of £545,341 as at 30/04/2018 (2017: nil) in relation to the shareholders loan from the Bagel Nash Bakery Limited. Bagel Nash Bakery Limited is the parent company of the former shareholders of the company.

18. Control

The company was acquired by the Cremonini Group on 21 September 2018. The immediate parent company is The Great American Bagel Factory Limited, a company incorporated in England and Wales. The Great American Bagel Factory Limited owns 100% of the shares capital of the company at the balance sheet date 31/12/2018. GABF Holding Limited owns 100% of share capital of The Great American Bagel Factory Limited. GABF Holding Limited is a subsidiary of Chef Express UK Limited, a subsidiary of Chef Express S.p.A., a company incorporated in Italy and 100% owned by the Cremonini Group.

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 company is Chef Express S.p.A., a company incorporated Italy. The ultimate controlling party is the Cremonini family.