Company Registration No. 06110067 (England and Wales)

bagel nash

BAGEL NASH (RETAIL) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

COMPANY INFORMATION

Directors	C. Biasoni D.S. Cheeseman G. Cremonini A. Ghirarduzzi
Secretary	A. Ghirarduzzi
Company number	06110067
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
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP
Lawyers	Ashfords LLP 1 New Fetter Lane London EC4A 1AN

CONTENTS

STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2022

Principal activities

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

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 a 100% subsidiary of The Great American Bagel Factory Limited.

Market overview and key events

The company operates in the same market segment as The Great American Bagel Factory and the acquisition has been the result of their strategy to expand their 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 locations across the cities of Leeds, York, Huddersfield, Hull and Manchester. The product offering is consistent with that of the Great American Bagel Factory Limited.

During the financial year ended 31 December 2022, the business performance was still impacted by the covid-19 pandemic in the first quarter of the year with the general economic trade slowly recommenced after the last lockdown imposed by the UK Government with omicron variance. In the second half of the financial year all the units traded at full capacity reaching satisfactory levels of sales and more positive results in terms unit profitability.

During the financial year 2022 the company operated the business in 10 locations with an additional store opened in late 2022 in December in Birmingham at Grand Central in the first floor of New Street Station The other 9 units, which traded on full year basis, are in Manchester with Spinningfields and Arndale Centre, in Leeds with Station, The Light Headrow, Carlton Tower in St Paul and White Rose shopping Centre, in York Designer Outlet, in Huddersfield Kingsgate and in Hull.

The shareholders have developed and approved a new strategic plan with the aim to take the company to a different level with opening new stores, with a healthy core product offer and with the continued growth and expansion to new market channels such as delivery, catering and on-line take-away sales. The company brand vision is to offer delicious, simple, freshly made food for all customers who love high quality products in a warm, vibrant and fast paced environment.

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 over the second part of 2022 and the latest forecast of 2023 indicate that the company has recovered in a satisfactory manner from the impact of the pandemic and 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.

Key factors occurring in the current macroeconomic environment such as the conflict in Ukraine, the cost of the living crisis with sky high energy prices and inflation and the weaking of the economic and financial markets in the United Kingdom have only impacted marginally the business during the financial year 2022 and 2023 and these factors are likely to continue in the future periods.

Results for the year

The loss for the year amounted to £77,521 *(2021: profit of £34,347)*. The sales are higher than 2021 by 28.9% as result of a general improvement of the trading conditions and development of the delivery and catering sales.

The administration expenses have increased by 33.9% in comparison to 2021 due to increased activities and staff cost have increased by 24.7% with employees' number increased from 35 to 47. The increase is related to the fact that 2022 was the first 'normal' year following the covid-19 pandemic.

The cash balance as of 31 December 2022 recorded a positive balance of £62,312 with a net cash outflow of £233,968 during the financial year 2022 driven by the investment in the new site in Birmingham and refurbishment and equipment replacement in the other stores.

Key performance indicators

The revenue and the profit/(loss) are the key performance indicators of the company.

Section 172 Statement

The Board of directors of The Bagel Nash Retail 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 governance code which establishes 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 summarised 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.

- *Stakeholders*

The Board has considered its key stakeholders and the methods of engagement with each of those stakeholders, both at Board level and across the business. The directors seek to engage directly with stakeholders wherever possible on certain issues, however due to the size of company, this means that stakeholder engagement often takes place at an operational level.

The Board understands that good governance includes maintaining a clear, effective, meaningful relationship with all relevant stakeholders including the customers, employees, the wider Group, suppliers, and the communities and environments in which the company operates. Details on engagement with stakeholders, including employees, suppliers, customers, and the community and environment can be found in the paragraphs below.

- *The People*

The Company is committed to being a responsible business. The Company's behaviour is aligned with the expectation of its people, clients, shareholders and communities and society as a whole. People are at the heart of the delivery of excellent customer service to its customers. For our business to succeed, we need to manage people's performance and develop and bring through talent while ensuring the Company operates as efficiently as possible.

Section 172 Statement (continued)

- *The People (continued)*

The Board of Directors of the Company engage directly with the employees through regular visits and meetings taking place in all shops. Both the Board of Directors and the executive management team are holding regular meetings with area managers and store managers to discuss current matters, to address any concerns, and to maintain a positive, constructive working relationship.

- *Business Relationship*

The Company's strategy is focused on delivering excellent customer service and on selling high quality products to their clients, putting at their centre the development of strong customer relationships. The Company also values all of 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 interacts. 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.

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 Bagel Nash Retail Limited approved budget for 2024 by the shareholders in December 2023, indicated that the company business activities have improved significantly compared to the previous years, and it indicates that the level of activities is expected to reach even higher levels with +37% increase in sales on full year basis. Furthermore, a business plan for year 2025-2026 for the consolidated business has been approved by the shareholders which outlines an expansion plan with reaching 13 stores at the end 2024, 16 stores at the end of 2025 and 18 stores at the end of 2026, with strong focus on enlarging sites portfolio, improving profitability, and controlling food and labour costs.

Although there is some uncertainty about the current economic situation with the impact of the wars in Ukraine and in the Middle East, with the on-going cost of living crisis likely to impact the consumers behaviour in year to come in 2024, the directors are constantly reviewing the forecast for the profit and loss account and for the cash flows of the company 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.

At the period end the company had net current liabilities of £1,221,306 (*2021: £817,623*). The financial statements have been prepared on the going concern basis. 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.

By order of the board,

Gloria Cremonini
Director
Date: 28 February 2024

DIRECTORS' REPORT
FOR THE PERIOD 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 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, a 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.

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 a 100% subsidiary of The Great American Bagel Factory Limited.

Dividend

No dividend was paid during the financial year ending December 2022. 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 seeks to minimise potential adverse effects on its financial performance. The current performance is discussed at length on pages 4-7 in the Strategic Report. The company activities are also exposed 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 tries 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 equivalents are held in the Barclays bank accounts. The company limits the associated credit risk as a result of the Group's policy to work only with reputable banks and financial institutions.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022

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 cash flow is dependent on the revenues which could be subjected to fall in the event of an economic crisis such as the Covid19 pandemic, and during a period of recession. In these situations, the company could be reliant on its ultimate parent company Cremonini, which has confirmed that it would provide 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 4-8.

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 2022

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

Approval

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

Antonio 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 year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement, 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 of 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 BAGEL NASH (RETAIL) 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 pages 10-11, 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, the Food Safety Act 1990 and other related food hygiene laws, 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 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 BAGEL NASH (RETAIL) LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

- Revenue recognition. Our audit procedures included consideration of the design of controls around revenue recognition and a walkthrough to confirm these; sample testing of transactions taking place within the year; reconciliation of the annual EPOS data to postings in the financial statements, as well as analysis of variations in sales across outlets; validation of sublet income against bank receipts; and inspection of all relevant documentation in relation to the receipt of government grants in 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.

Auditor's responsibilities for the audit of the financial statements (continued)

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.

M Jayson

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 PERIOD ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	3	**1,892,726**	1,467,772
Cost of sales		**(511,115)**	(302,990)
Gross profit		**1,381,611**	1,164,782
Depreciation – fixed assets	4	**(82,210)**	(70,975)
Depreciation – right to use assets	4	**(215,209)**	(69,426)
Staff costs	6	**(588,618)**	(472,163)
Administrative expenses	4	**(561,795)**	(419,555)
Provision on lease liabilities	12	-	(87,500)
Fixed assets loss on disposal	4	-	-
Operating (loss)/profit		**(66,221)**	45,163
Interest payable and similar charges	8	**(11,300)**	(10,816)
(Loss)/Profit on ordinary activities before taxation	4	**(77,521)**	34,347
Tax on loss on ordinary activities	9	-	-
(Loss)/Profit and total comprehensive profit for the financial period		**(77,521)**	34,347

The results shown above are derived wholly from continuing operations.

The notes from page 18 to 32 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	10		**642,852**		367,256
Property – right to use assets	11		**2,184,706**		1,268,336
			2,827,558		1,635,592
Current assets					
Stock	13	**48,553**		27,035	
Debtors	14	**353,582**		206,868	
Cash at bank and in hand		**62,312**		296,280	
		464,447		530,183	
Creditors: Amounts falling due within one year	15	**(1,517,956)**		(946,402)	
Provision for lease liabilities	12	**-**		(87,500)	
Lease liability: Current	11	**(167,797)**		(313,904)	
Net current liabilities			**(1,221,306)**		(817,623)
Total assets less current liabilities			**1,606,252**		817,969
Lease Liability: Non-current	11		**(1,672,936)**		(807,133)
Net Assets			**(66,684)**		10,836
Capital and reserves					
Called up share capital	17		**100**		100
Profit and loss account	18		**(66,784)**		10,736
Equity shareholders' funds			**(66,684)**		10,836

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

A. Ghirarduzzi
Director

Company Registration No. 06110067

The notes from page 18 to 32 form part of these financial statements.

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
(Loss)/Profit for the financial year		**(77,521)**	34,347
Adjustment for:			
Depreciation	*4*	**82,210**	70,975
Interest paid	*8*	**11,300**	10,816
(Increase) in stocks		**(21,518)**	(10,946)
(Increase) in debtors		**(146,713)**	(104,946)
Increase in creditors		**484,054**	445,746
Cash from operations		**331,812**	445,992
Cash flow from investing activities			
Purchase of tangible fixed assets	*10*	**(357,806)**	(110,059)
Disposal of tangible fixed assets	*4,10*	**-**	-
Net cash from investing activities		**(357,806)**	(110,059)
Cash from financing activities			
Payments to lease liabilities – Capital	*11*	(196,674)	(116,293)
Payments to lease liabilities – Interest	*11*	(11,300)	(10,816)
Net cash used in financing activities		**(207,974)**	(127,109)
(Decrease)/Increase cash and cash equivalents	*20*	**(233,968)**	208,824
Cash and cash equivalents at beginning of period		**296,280**	87,456
Cash and cash equivalents at the end of the period	*20*	**62,312**	296,280

The notes from page 18 to 32 form part of these financial statements.

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

	Share Capital £	Profit and Loss Account £	Total shareholder Funds £
At 1 January 2021	100	(23,611)	(23,511)
Dividends paid	-	-	-
Profit for the year	-	34,347	34,347
At 1 January 2022	100	10,737	10,837
Dividends paid	-	-	-
Loss for the year	-	(77,521)	(77,521)
At 31 December 2022	100	(66,784)	(66,884)

The notes from page 18 to 32 form part of these financial statements.

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.

Statement of compliance

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.

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 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

At the period end the company had net current liabilities of £1,221,306 (*2021: £817,623*). 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 a period of not less than 12 months from the date of signing of the financial statements. On this basis the directors believe that it is appropriate to prepare the financial statements on a going concern basis

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 a period of not less than 12 months from the date of signing of the financial statements. On this basis the directors believe that it is appropriate to prepare the financial statements on a going concern basis

The budget 2024 and the financial plan for the years 2025-26 approved by the shareholders at the beginning of December 2023 indicates that the company has successfully overcome the pandemic period and it is in stronger and more stable financial position. The Company have assessed the cash position and in particular the recoverability of trade receivables. All trade receivables are expected to be received within the agreed terms and the cash positions to improve and positive in 2024 and the years ahead.

Although there is still some degree of uncertainty around the current economic climate with raising food and energy prices and the long-term impact of the conflict in Ukraine where the Company sales levels may not reach the forecasted levels, which in turn may affect the flow of cash derived from future trading income which is presumed in the cash flow forecasts, the outlook of the financial situation of The Bagel Nash Retail Limited looks brighter and during the financial year ending 31 December 2023, the company is expected to continue to improve the result at operating profit level.

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;
- 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 2021, 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 IABS 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 2021.

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 brining 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.

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 2023:

- 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 Bagel Nash Retail Limited is 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

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 - 5 to 12 years based on the length of the lease.

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.

Government grants income

The income from the government grants have been recognised based on the accrual model. The grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in income in the period in which it becomes receivable.

1. Accounting policies (continued)

Investments

Investments are stated at cost less provision for impairment.

Financial assets – loans and receivables

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

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

Financial liabilities

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

Loans from group companies are recognised at amortised cost.

Share Capital

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

Dividends payable

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

Provisions

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

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

The Company accounts 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. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;

(b) The Company obtains substantially all the economic benefits from use of the asset; and

(c) The Company has the right to direct use of the asset.

1. Accounting policies (continued)

Leased assets (continued)

The Company considers 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.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

When the company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

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.

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

2. Critical accounting estimates and judgements (continued)

(a) Judgements – IFRS 16

The Company has adopted certain optional recognition exemptions available under IFRS 16 for short-term (less than 12 months) and leases based on a turnover percentage charges basis. These leases continue to be off balance sheet with rentals charged to the Income Statement on a straight-line basis over the lease term and are classified as operating leases.

The Company has adopted 4% as the lessee's incremental borrowing rate (IBR) which the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets. An impairment loss is recognised in profit or loss if the estimated recoverable amount is lower than the value of the lease and the carrying amount is reduced to its estimated recoverable amount.

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 10.

3. Turnover

Turnover arises from:

	2022	2021
	£	£
Sales of bagels and related products	**1,860,059**	1,136,465
Furlough Scheme Income – Covid-19	-	114,788
Business Grants – Covid-19	**32,667**	216,518
	1,892,726	1,467,772

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

The business grants of £32,667*(2021: £216,518)* relates to the support grants introduced by Government to support the hospitality and retail sectors during covid-19 pandemic. The furlough scheme income of £114,789 related to the support received by Government to pay the salary of the employees during the covid-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022

4. Operating profit and turnover

	Note	2022 £	2021 £
Operating (loss)/profit is stated after charging:			
Cost of sales		**511,115**	302,990
Staff cost		**588,618**	472,163
Depreciation of fixed assets		**82,210**	70,975
Depreciation of right to use assets		**215,209**	69,426
Advice and consultancy		**1,799**	4,972
Provision on lease liabilities		-	87,500
Operating lease charges		**39,042**	71,194

Advice and consultancy fees have been occurred in relation to legal fees for the lease contract renewal and general employment advice.

Provision on lease liabilities of £87,500 for the financial year 2021 was in relation to the surrender of the lease and its liabilities for the Coppergate unit in York. The deed surrender was completed and paid on 31 October 2022.

5. Auditors' remuneration

	Note	2022 £	2021 £
Fees for the audit of the company		-	-

The cost of the audit remuneration is borne by the parent company, The Great American Bagel Factory Limited, for the financial year ending 31 December 2022.

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:

	2022 No.	2021 No.
Average number of persons employed:		
Managers	**12**	10
Workers	**35**	25
	47	35

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022

6. *Staff number and costs (continued)*

	2022 £	2021 £
Staff costs during the year		
Wages and salaries	**520,800**	421,640
Social security costs & Pension	**67,818**	50,523
	588,618	472,163

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.

8. Finance income and finance expenses

Interest payable and similar charges

	Note	2022 £	2021 £
Interest charges on lease liabilities		**11,300**	10,816
		11,300	10,816

9. Taxation

	Note	2022 £	2021 £
Analysis of tax charges/(credit) for the period			
Current tax			
UK corporation tax at 19.00% *(2021: 19.00%)*		-	-
Deferred tax			
Origination and reversal of timing differences		-	-
Tax on ordinary profit		-	-

9. *Taxation (continued)*

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

	Note	**2022** £	2021 £
Profit/(loss) before tax		**(77,521)**	34,347
Tax on loss on ordinary activities at standard rate of 19.00% (2021: 19.00%)		**(14,729)**	6,526
Effect of:			
Fixed asset differences		**(15,862)**	907
Loss on fixed assets disposal		-	-
Expenses not deductible for tax purposes		**16,625**	-
Tangible asset impairment losses		-	-
Utilization Tax losses brought forward		-	-
Group relief surrender		-	-
Remeasurement of deferred tax for changes in tax rates		**(4,418)**	(38,648)
Movement in deferred tax not recognised		**18,384**	31,215
Total tax charge/(credit) for the period		-	-

The company has estimated trading losses of £350,542 *(2021: £350,542) pre-1 April 2017 and £700,778 (2021: £270,218) post – 1 April 2017* available for carry forward against future trading profits.

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.

10. Fixed assets

	Land and buildings £	**Plant and machinery etc.** £	**Total** £
Cost			
At 01 January 2022	416,003	952,015	1,368,018
Additions	-	357,806	357,806
Disposals	-	-	-
At 31 December 2022	**416,003**	**1,309,821**	**1,725,824**
Depreciation			
At 01 January 2022	313,814	686,948	1,000,762
Charge for the period	11,254	70,956	82,210
Disposals	-	-	-
At 31 December 2022	**325,068**	**757,904**	**1,082,972**
Net book value			
At 31 December 2022	**90,935**	**551,917**	**642,852**
At 31 December 2021	102,189	265,067	367,256

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022

11. Leases

IFRS 16 was adopted 1 January 2019 without restatement of comparative figures. The Company has leases for the restaurant units.

Right-of-use-assets

	Land and Building £	Total £
At 1 January 2022	1,268,336	1,268,336
Amortisation	(215,209)	(215,209)
Modification of lease terms	1,131,579	1,131,579
At 31 December 2022	**2,184,706**	**2,184,706**

	Land and Building £	Total £
At 1 January 2022	1,121,037	1,121,037
Effect of interest expenses	11,300	11,300
Lease payments	(238,284)	(238,284)
Modification of lease terms	946,680	946,680
At 31 December 2022	**1,840,733**	**1,840,733**

The lease liabilities are presented in the statement of financial position as follows:

	31 December 2022 £
Current	167,797
Non-current	1,672,936
	1,840,733

12. Provision for liability

	Lease Liability £
At 1 January 2022	**87,500**
Decrease in the value of provision	(87,500)
At 31 December 2022	-

The provision for liability of £87,500 relates to the provision for the surrender of the lease in Coppergate, York. The agreement for surrender has been signed and settled on 31 October 2022.

13. Stock

	2022 £	2021 £
Raw material and consumables	**48,553**	27,035
	48,553	27,035

14. Debtors

	2022 £	2021 £
Trade debtors	**181,035**	138,464
Prepayments and accrued income	**37,411**	43,053
Other debtors	**135,136**	25,351
	353,582	206,868

15. Creditors: amounts falling due within one year

		2022 £	2021 £
Trade creditors		**283,136**	182,422
Amount owed to group undertakings and related party	21	**1,139,501**	680,516
Taxation and social security		**11,289**	8,111
Accruals and deferred income		**68,761**	63,895
Other creditors		**15,269**	11,458
		1,517,956	946,402

15. Creditors: amounts falling due within one year (continued)

The amount owed to Group undertakings and related party of £1,139,501 as at 31/12/2022 *(2021: £680,516)*. The amount of £751,978 *(2021: £503,970)* is in relation to the intercompany credit balance with the immediate parent company The Great American Bagel Factory Limited. The amount of £387,523 (*2021: £30,000)* is in relation to the intercompany credit balance with its subsidiaries Ol! Bagel Trading Limited.

16. Deferred tax

	2022	2021
	£	£
Fixed asset timing differences	82,748	15,596
Short term timing differences	(144)	(22,256)
Losses and other deductions	(262,861)	(155,190)
	(180,257)	(161,850)

17. Share capital

	2022	2021
	£	£
Authorised, allotted, called up and fully paid		
10,000 Ordinary shares of 1p each	100	100

18. 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.

22. Control (continued)

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.

23. Post Balance Events

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022

19. Pension commitments and retirement benefits

The company pays into a numbers of defined contribution schemes in. The contribution rates are in line with auto enrolment contribution.

The pension cost charge of £28,575 *(2021: £22,136)* represents contributions payable by the company to the fund. The amount to be paid to the pension fund at the year-end in respect of these contributions was £577 *(2021: £1,524).*

20. Analysis of net funds

	At 1 January 2022	Cash flow	**At 31 December 2022**
	£	£	**£**
Cash at bank and in hand	296,280	(233,968)	**62,312**
Lease liabilities	(1,121,037)	(719,696)	**(1,840,733)**
	(824,757)	(953,664)	**(1,778,421)**

21. 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 to fellow group undertakings	**1,139,501**	680,516

Within creditors there is an outstanding intercompany balance of £751,978 *(2021: £503,970)* to The Great American Bagel Factory Limited.

Within creditors there is an outstanding intercompany balance of £387,523 *(2021: £176,546)* to Oi! Bagel Trading Limited.

22. 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. 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.