CHEF EXPRESS UK LIMITED *(REGISTERED NUMBER 06757373)*

CHEF EXPRESS UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Company Registration No. 06757373 (England and Wales)

COMPANY INFORMATION

Directors	F. Croce-Sebastiani D.S. Cheeseman A. Ghirarduzzi
Secretary	A. Ghirarduzzi
Company number	06757373
Registered Office	60 Grays' Inn Road London WC1X 8AQ
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Business address	60 Grays' Inn Road London WC1X 8AQ
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP
Lawyers	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Strategic report

Principal activities
The principal activity of the company is to act as a holding company. The company is the parent company of Momentum Services Limited, Lounge Services S.A.S. and The Great American Bagel Factory Group.

Market overview and contracts
The company owns 100% of the shares of Momentum Services Limited. Momentum Services operate the on-board services, the Business Premier Lounge services, the on-board equipment management and the bar buffet contracts for Eurostar International Limited. Momentum Services Limited was awarded a new contract for a 7 year period signed on 11 December 2013 expiring on 31 May 2021. An extension of the contract for an additional 7 year period until 31 May 2028 has been signed on 05 February 2021.

The company owns 100% of the shares of Lounge Services S.A.S. a company subcontracted by Momentum Services Limited to operate the Business Premier Lounge services of Eurostar in France.

The company controls the Great American Bagel Factory Group through 100% share ownership of GABF Holding Limited. The principal activity of the Great American Bagel Factory Group is the preparation and sale of bagels and associated products including beverages and it operates through 18 outlets in the UK and 19 franchising stores in the UK and Ireland.

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

The subsidiaries operations and activities have recovered successfully from the Covid-19 pandemic. Momentum Services Limited, Lounge Services SAS and The Great American Bagel Factory Group activities have recorded much improved results for the financial year ending 31 December 2022.

During financial year ending 2022, Momentum Services Limited and Lounge Service SAS businesses showed significant signs of recovery starting from the second quarter of the year with a substantial increase in the number of passengers (+485%) and trains (+200%) recovering from the difficult period previous years 2020 and 2021. The development of the Amsterdam route contributed to the improved performance with the introduction of the 3rd service (April 2022) and the 4th service (September 2022) directed from London. Nevertheless, the Brexit-related macroeconomic situation, the Ukraine war, and the inflationary price stimulus have limited the economic performance of 2022 and could still have an impact in 2023.

Likewise, the business performance of Great American Bagel Factory Group companies, the business performance has been significantly improved compared to the previous years 2020 and 2021, which were significantly impacted by the covid-19 pandemic. After a difficult first quarter in 2022 still impacted by the appearance of the omicron variance of the covid-19 pandemic, the stores of the companies' Group have traded at full capacity for the remaining of 2022 achieving further increase in sales and much improved performance in terms of profit. The companies' Group have also expanded the business with openings of 6 new stores throughout 2022 to date with Oxford Circus London Underground Station, which opened in February 2022, with London Bridge Station in Tooley Street, which opened in April 2022, with Newcastle Eldon Square and the second site in Excel Exhibition Centre, which both opened in July 2022, with Birmingham Grand Central, which opened in December 2022 and with Ealing Broadway Station which opened for trade in early January 2023.

Market overview and contracts (continued)

Although the situation for all subsidiaries companies looks much more positive for the years ahead, the outlook of the macroeconomic environment still presents some uncertainties that could impact the company's activities in 2023 and beyond with 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 as result of the Brexit arrangements affecting the consumer confidence. The financial performance of the company's subsidiaries over the course of 2022 indicates that the company has recovered in a satisfactory manner from the impact of the pandemic and the latest forecast of 2023 shows that the company is in much stronger position for the years ahead. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Results for the year

Loss after taxation for the financial year amounted to £152,468 *(2021: Profit of £183,976)*. The loss is related to exchange rate negative difference on the revaluation of the intercompany loan facility due to weaken of sterling current which the rate moving from 1.1907 on 31 December 2021 to 1.1277 on 31 December 2022.

During 2022, the Momentum Services business has been significantly recovered from the covid-19 pandemic reaching positive profit levels with increase on number of passengers by 485% and increase on the number of trains by 200% compared to 2021. Lounge Services has also recovered from the pandemic and as consequence the financial performance has been considerable better than 2021 in terms of revenue and profit. The Great American Bagel Factory Group companies have performed better to previous year 2021 reaching positive EBDITA levels and with sales reaching the pre-covid levels of 2019 in the last quarter of the financial year ending 31 December 2022.

Key performance indicators

The profitability of the company is dependent from the dividend received by its subsidiaries' companies. During the financial year 2022 no dividends were distributed by the subsidiaries' companies due to the covid-19 pandemic outbreak.

Section 172 Statement

The Board of directors of Chef Express UK 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 summarise below:

Section 172 Statement (continued)

- *Management*

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

- *Business Relationship*

The Company's subsidiaries strategy is focused on delivering excellent customer service and on selling high quality standard products to their clients putting at their centre the development of strong customer relationships. The Company also values all 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 interact. The Company is committed to embrace the safeguard of the environment and its subsidiaries have introduced a series of initiatives to reduce carbon footprint and the usage of plastic in their activities.

- *Shareholders*

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

Principal risks and uncertainties

Ukraine conflict and macroeconomic environment
The company does not hold any direct business trade ad interest with Russia, Ukraine and Belarus. The business activities in Russia were liquidated on 16 October 2020 and the final remaining financial proceed were disclosed in the financial statement ending 31 December 2020. There is no impact on these financial statements ending 31 December 2022 and no impacts are expected in future periods.

However, there is some uncertainty about the current economic situation with the impact of the war in Ukraine, with the continuing increasing high inflation and with the cost of living crisis likely to impact the consumers behaviour in the year to come in 2023 in the travel industry and in the retail and hospitality environment. On this the directors are constantly evaluating the financial ramifications of the current economic situation with the increases to energy prices, rising pressure on inflation rates, fluctuations in foreign exchange rates, and interest rate rises which could impact the future activities of the company subsidiaries.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties (continued)

UK political and economic situation and Brexit implications

The consequences of the United Kingdom leaving the European Union are still significantly impacting the UK economic with difficulty to source skilled labour force and the GDP expected to contract by over 4% in 2023 in relation to the Brexit impact.

The company's subsidiaries are still being impacted by the Brexit consequences, especially with the difficulty to source the skilled labour force and the directors are monitoring the situation and they have put in place correct measurement to mitigate the impact of these risks.

Going concern risk

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in this report. The company is depending on the activities of the subsidiary companies: Momentum Services, Lounge Services, The Great American Bagel Factory and Bagel Nash Retail Limited. The budget for 2023 approved for each respective subsidiary indicated that the company dividend receipt and profitability is going to improve and reach positive levels following the end of the Covid-19 pandemic with the increase of international travels and the significant growth of the Bagel Factory business. The directors have reviewed the financial impact of the current situation and they are regularly reviewing the forecasts for the profit and loss account and for the cash flows of the Company.

As the Company's profitability is dependent on dividends received from controlled companies, it is expected that the operations of the Company's subsidiaries will perform at the expected levels and beyond. Although there is still some uncertainty concerning the UK and worldwide economic as consequences of the raising inflation and the cost of living crisis, the company's subsidiaries 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.

By order of the board,

Fabio Croce-Sebastiani
Dircctor

Date: 09/May/2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Directors' report

The directors present their report and financial statements for the year ended 31 December 2022.

Directors and their interests

D. S. Cheeseman
F. Croce-Sebastiani
A. Ghirarduzzi

None of the directors hold any interest in the company.

Ownership
The company is fully owned by Chef Express S.p.A., a company incorporated in Italy, which held 100% of the equity.

Dividend
No dividend was paid in 2022 to Chef Express S.p.A. *(2021: £1,200,000).*

No dividend will be proposed at the forthcoming AGM. No provision for any dividend has been made at the Balance Sheet date.

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

In addition to the risks created by macroeconomic events such the extraordinary impact related Covid-19 outbreak, as discussed on pages 4-7 in the Strategic Report and also disclosed in the financial statement of its subsidiaries, 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) Credit risk

The company's cash and cash equivalent are held in the Barclay banks account. The company limit the associated credit risk as a result of the Group's policy to work only with reputable banks and financial institutions. The company has positive cash flow and it expect to continue for the next twelve months from the balance sheet date.

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

Principal financial risk and uncertainty (continued)

(b) Liquidity and cash flow risk

The company positive cash flow is dependent on the revenues of its subsidiaries 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.

As the Company's profitability is dependent on dividends received from controlled companies, the operations of the Company's subsidiaries are expected to return to pre-covid 2019 levels in the second half 2022 and early 2023. The latest forecast of 2022 and 2023 show that the company has sufficient resources to continue as going concern.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

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

Strategic report

In accordance with section S414C (11) of the Companies Act 2006, the company has produced a Strategic Report which is set out on page 4. Information on likely future developments in the business of the company has been included in the Strategic Report on pages 4-7. The post balance sheet events are disclosed in note 18 to these financial statements (page 31).

Statement of directors' responsibilities

The directors are responsible for preparing 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, he directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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:

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

Statement of directors' responsibilities (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

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, BDO 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 09 May 2023.

David Cheeseman
Director
Date: 09/May/2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHEF EXPRESS UK LIMITED

Opinion on the financial statements

In our opinion, the financial statements:

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

We have audited the financial statements of Chef Express UK Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of comprehensive income, Statement of financial position, 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 FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHEF EXPRESS UK LIMITED (CONTINUED)

Other information (continued)

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.

Other Companies Act 2006 reporting

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.

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, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHEF EXPRESS UK LIMITED (CONTINUED)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- discussions with management including consideration of known or suspected instances of non-compliance with applicable laws and regulations and fraud, including compliance with the various government schemes relating to the Covid-19 pandemic;
- evaluation and were appropriate, testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- identifying and testing journal entries, in particular any journal entries posted by senior management, journals posted to unusual accounts, journals posted to revenue accounts, journals posted by unusual individuals and duplicate journals; and
- we also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHEF EXPRESS UK LIMITED (CONTINUED)

DocuSigned by:
Gareth M Jones
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Gareth M Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
May 2023
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Service rendered	3	-	25,195
Administrative expenses		**14,875**	(66,515)
Exchange rate differences		**(109,427)**	300,727
Operating (loss)/profit	4, 5	**(94,552)**	259,407
Interest receivable and similar charges	7	**294**	-
Interest payable and similar charges	7	**(58,210)**	(75,431)
Financial income on investment		-	-
Dividend received from controlled company	9	-	-
(Loss)/profit on ordinary activities before taxation		**(152,468)**	183,976
Tax on (loss)/profit on ordinary activities	8	-	-
(Loss)/profit and total comprehensive (expense)/income for the financial year		**(152,468)**	183,976

The results shown above are derived wholly from continuing operations.

The company has no recognised gains or losses other than (losses)/profits for the current year or previous year. Accordingly, no statement of comprehensive income is presented.

The notes from page 18 to 31 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Investments	10		**595,409**		595,409
			595,409		595,409
Current assets					
Debtors	11	**9,878,497**		5,446,529	
Cash at bank and in hand		**192,691**		-	
		10,071,188		5,446,529	
Creditors: amounts falling due within one year	12	**(10,508,215)**		(5,731,088)	
Net current liabilities			**(437,027)**		(284,559)
Total assets less current liabilities			**158,382**		310,850
Provision for liabilities	13		-		-
Net assets			**158,382**		310,850
Capital and reserves					
Called up share capital	14		**80,000**		80,000
Profit and loss account			**78,382**		230,850
Equity shareholders' funds			**158,382**		310,850

Approved by the Board for issue on 09/05/2023.

Antonio Ghirarduzzi
Director

The notes from page 18 to 31 form part of these financial statements.

STATEMENT FOR CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share Capital £	Retained Earnings £	Total shareholder Funds £
At 1 January 2021	80,000	1,246,874	1,326,874
Dividends paid	-	(1,200,000)	(1,200,000)
Profit for the year	-	183,976	183,976
At 1 January 2022	80,000	230,850	310,850
Dividends paid	-	-	-
Loss for the year	-	(152,468)	(152,468)
At 31 December 2022	**80,000**	**78,382**	**158,382**

The notes from page 18 to 31 form part of these financial statements.

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

1. Accounting policies

Reporting entity

The company is incorporated and domiciled in the United Kingdom. These Financial Statements comprise the Company. The Company is the holding company for Momentum Services Limited, Lounge Services SAS, The Great American Bagel Factory companies and its subsidiaries and Chef Express Eurasia Limited operating primarily in the United Kingdom and Europe. The company was incorporated on 25 November 2008 as private company, limited by shares in the United Kingdom.

Statement of compliance

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

Functional and presentational currency

These financial statements are presented in pounds Sterling (£), which is the company presentational currency. The functional currency of the company is pounds sterling. The functional currency of its subsidiaries is pounds sterling for The Great American Bagel Factory Group companies and EURO for Momentum Services Limited and Lounge Services SAS. 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 Statements.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in this report. The company is depending on the activities of the subsidiary companies: Momentum Services, Lounge Services, The Great American Bagel Factory and Bagel Nash Retail Limited. The budget for 2023 approved for each respective subsidiary indicated that the company dividend receipt and profitability is going to improve and reach positive levels following the end of the Covid-19 pandemic with the increase of international travels and the significant growth of the Bagel Factory business. The directors have reviewed the financial impact of the current situation and they are regularly reviewing the forecasts for the profit and loss account and for the cash flows of the Company.

As the Company's profitability is dependent on dividends received from controlled companies, it is expected that the operations of the Company's subsidiaries will perform at the expected levels and beyond. Although there is still some uncertainty concerning the UK and worldwide economic as consequences of the raising inflation and the cost of living crisis, the company's subsidiaries 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.

1. Accounting policies (continued)

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

- all disclosures required by IFRS 7;
- all disclosures required under IFRS 13;
- a statement of cash flows; and
- the effect of future accounting standards not yet adopted.

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

Changes in accounting policies

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

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

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

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

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

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

On 31 March 2021, in light of the ongoing pandemic, the 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

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

Changes in accounting policies (continued)

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

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

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.

1. Accounting policies (continued)

Changes in accounting policies (continued)

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

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.

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 Contract.
- *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.*
- *IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback).*

Chef Express UK Limited and its subsidiaries are currently assessing the impact of these new accounting standards and amendments. The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company and its subsidiaries except for IFRS 17 Insurance contract and IFRS 16 leases.

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 judgement in applying the company's accounting policies.

In the current year the company has adopted FRS 100 and FRS 101. 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.

1. Accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are carried out at cost less any provision for losses arising on impairment.

Financial assets – loans and receivables

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

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

Financial liabilities

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

Loan from group companies are recognised at amortised cost.

Share Capital

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

Dividends payable

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

Provisions

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

The company accounts for the financial year ending on 31 December 2022 do not include any provision for liabilities. The company has taken a view that there are no provision to be make for the investments in the other subsidiaries.

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for

1. Accounting policies (continued)

Taxation (continued)

Current tax (continued)

current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Foreign currencies

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

Turnover

Turnover, which excludes value added taxes, represents the revenues for the provision of services delivered on behalf of subsidiaries companies: Turnover is recognised on delivery of the service. These are matched to the cost in the profit and loss account in the period in which they arise.

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.

1. Accounting policies (continued)

Group accounts

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

2. Critical accounting estimates and judgements

In applying the Company's accounting policies, which are described in note 1, the directors are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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.

(a) Judgements – Recoverability of investments

The company believes that the investments in the Bagel Factory Group companies is fully recoverable based on the future forecasted performances of the companies. The company has not made impairment for any diminution in value in relation to negative equity of the GABF Holding Limited and its subsidiaries to date. The liquidation of the Chef Express Eurasia took place on 16 October 2020. The company wrote down the investment in the subsidiary Chef Express Eurasia and its trading losses in the financial years prior to 2020, in 2018 and 2019 and no further write down was required in the financial year ending 31 December 2021.

(b) Judgements – Intercompany loans

The intercompany loans are recognised at fair value. No impairment has been made for the intercompany loans. There is objective evidence that the company will be able to collect all of the amounts due under the terms' receivable.

The estimates and assumptions do not carry a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Turnover

Chef Express UK Limited provides services related to the subsidiaries companies which operate on board trains catering and travel concession catering shops in station across the United Kingdom. The directors consider that the company operates in one geographical segment, being United Kingdom.

The service rendered of £25,195 in the financial year ending 31 December 2021 was in relation to management services charged to the subsidiaries company Lounge Services SAS in relation to contractual renegotiation for the Eurostar business premier lounge activities in Paris.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Expenses by nature

	2022	2021
	£	£
Operating (loss)/profit is stated after charging/(crediting):		
Professional and legal fees	**3,500**	9,675
Compliance cost	**(23,000)**	50,000
Foreign exchange loss/(gain)	**109,427**	(300,727)
Bank charges	**375**	671
Rent	**-**	3,169

In 2021 a provision of £50,000 was charged to the profit and loss account in relation to ESOS charges a mandatory energy assessment scheme for organizations in the UK that meet the qualification criteria. In 2022 a release of £23,000 for the same provision was credited to profit and loss account being the final net cost of £27,000.

In 2021 professional and legal fees include an amount of £7,425 in relation to the closure and liquidation of the entity Chef Express Eurasia which took in October 2020.

5. Auditor remuneration

	2022	2021
	£	£
Fee for the audit of the company	**4,250**	3,000

6. Remuneration of directors

All 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.

7. Finance income and finance expense

Interest receivable and similar charges

	2022	2021
	£	£
Interest receivable from group undertakings	**294**	-

7. Finance income and finance expense (continued)

Interest payable and similar charges

	2022	2021
	£	£
Interest payable to group undertakings	**58,210**	75,431

The interest receivable and the interest payable charges are incurred in relation to the intercompany loan with the parent company, Chef Express SpA.

8. Tax expense

a) Total current tax expense:

	2022	2021
	£	£
Corporation tax	-	-
Group relief	-	-
Total current tax	-	-
Tax on (loss)/profit on ordinaries activities	-	-

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

The tax charge for the current year in the UK is 19%, (2021: 19.00%) applied to the profit on ordinary activities before tax. The differences are explained below:

	2022	2021
	£	£
(Loss)/profit on ordinary activities before tax	**(152,468)**	183,976
UK corporation tax at 19% *(2020:19.00 %)* of (loss)/profit	**(28,969)**	34,955
Effects of:		
Expenses not deductible for tax purposes	**11,004**	23,832
Non-trade loan relationship losses arising in the period	-	-
Group relief to group companies with lower than UK tax rate	**17,965**	-
Group relief (from) prior year trading losses	-	(58,787)
Total tax expense (see above)	-	-

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

8. Tax expense (continued)

c) Factors that may affect future tax charges:

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%. Although the current 19% rate will still apply if profits are £50,000 or less.

9. Dividends

	2022	2021
	£	**£**
Total dividend received £nil *(2021: £nil)* per ordinary share	-	-

No dividends were received during the financial year ending 31 December 2022.

	2022	2021
	£	£
2020 final dividend paid in the year	-	1,200,000

The directors have not proposed a final dividend *(2021: £nil)*.

10. Investments in subsidiary undertakings

Cost	£
At 1 January 2022	595,409
At 31 December 2022	**595,409**
Carrying value	
At 31 December 2022	**595,409**
At 31 December 2021	595,409

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Investments in subsidiary undertakings (continued)

Subsidiary undertakings

The principal undertakings in which the company's interest at the year-end is 20% or more is as follows:

	Country of Incorporation	Registered Address	Proportion of voting rights and ordinary share capital held	Nature of business
Subsidiary undertakings				
Momentum Services Limited	England	60 Grays' Inn Road, London WC1X 8AQ, UK	100%	Railway Catering
Lounge Services SAS	England	91, Rue du Faubourg Saint-Honore, 75008 Paris, France	100%	Railway Catering
GABF Holding Limited	England	60 Grays' Inn Road, London WC1X 8AQ, UK	100%	Concession Catering
The Great American Bagel Factory Limited*	England	60 Grays' Inn Road, London WC1X 8AQ, UK	100%	Concession Catering
OI! Bagel Trading Limited*	England	60 Grays' Inn Road, London WC1X 8AQ, UK	100%	Concession Catering
Bagel Nash (Retail) Limited*	England	60 Grays' Inn Road, London WC1X 8AQ, UK	100%	Concession Catering

*Denotes indirect holding

The company has not made a provision for any diminution in value in relation to negative equity of the GABF Holding Limited and its subsidiaries to date.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Debtors

	Note	2022 £	2021 £
Debtors due < 1 year			
Amounts owed by group undertakings and related party	16	**9,845,124**	5,426,238
Prepayments		**13,082**	-
Other debtors		**20,291**	20,291
		9,878,497	5,446,529

The ultimate parent company has provided guarantees for the recoverability of the amounts owed by group undertakings and related party. As such no provision has been recognised against this balance. The directors have considered the credit risk regarding intercompany receivables including the reliance on the guarantee and on this basis no provision has been made against these balances in respect of expected credit losses.

Security is granted to the Company's bankers over certain cash balances held. The company has entered into a Composite Accounting Agreement with the subsidiaries' companies, Momentum Services Limited and The Great American Bagel Factory Limited. Each participating company has provided a guarantee to the Bank.

12. Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Bank overdraft		-	50,556
Amount owed to group undertakings and related party	16	**10,474,454**	5,609,861
Other Taxation and social security		**19,511**	20,671
Accruals and deferred income		**14,250**	50,000
		10,508,215	5,731,088

Bank overdraft is granted by the Company's bankers, Barclays bank Plc secured under the provided guaranteed and it is a composite accounting agreement with the subsidiaries companies Momentum Services Limited and The Great American Bagel Factory Limited and it has a net limit of €2,000,000.

Chef Express UK Limited entered in to an agreement for a credit facility with its subsidiary company, Momentum Services Limited. The outstanding amount due to Momentum Services Limited at the financial year end 31 December 2022 was £10,454,342 *(2021: 3,028,926)*.

The company has no outstanding balance creditor balance *(2021: £2,560,096)* with the parent company Chef Express S.p.A. in relation to the intercompany cash pooling account.

13. Provision for liability

The company does not have any finance lease commitments.

14. Share capital

Authorised, allotted, called up and fully paid

	2022 Number	2022 £	2021 Number	2021 £
Ordinary shares of £1 each	80,000	80,000	80,000	80,000

15. Reserve

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 owners	All other net gains and losses and transactions with (eg dividends) not recognised elsewhere.

16. 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.:

	Note	2022 £	2021 £
Amounts owed by fellow group undertakings	11	**9,845,124**	5,426,238
Amounts owed to fellow group undertakings	12	**10,474,454**	5,609,861

NOTES TO THE FINANCIAL STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16. Related party disclosures (continued)

At the balance sheet date, the company owed £10,454,342 *(2021: £3,028,926)* to Momentum Services Limited relating to the intercompany credit facility. The facility is renewable on a yearly rolling basis and it is an interest free loan.

At the balance sheet date the company is owed £3,569,210 *(2021: £2,560,096 owe to Chef Express S.p.A.)* from Chef Express S.p.A. relating to the intercompany bank facility.

At the balance sheet date, the company is owed by Great American Bagel Factory Limited, a subsidiary of GABF Holding Limited, £6,246,086 *(2021: £5,371,508)* relating to the loan facility in place. The facility is renewable on a yearly rolling basis and it is an interest free loan.

At the balance sheet date, the company is owed £29,828 *(2021: £29,535)* by Chef Express S.p.A, for the interest matured on the intercompany loan facility and the company owes £20,112 *(2021: £20,839)* for the interest on the same facility mentioned above.

17. Ultimate parent company and control

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

18. Post Balance Sheet event

The covid-19 pandemic (see strategic report pages 4-7) has not been considered an on-going event any longer, although it still impacted the financial results in financial year ending 31 December 2022. 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.