Registered number: 08443757

CITY PANTRY LTD

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

CITY PANTRY LTD

COMPANY INFORMATION

Directors	S Sunderland H R Heneage H A Crosby C J Hadfield (resigned 30 April 2017) T A Ward (resigned 14 March 2018) L K Miller (appointed 1 October 2017) E Keelan (appointed 14 March 2018)
Registered number	08443757
Registered office	Prince Albert House 20 King Street Maidenhead Berkshire SL6 1DT
Accountants	Donald Reid Limited Chartered Accountants Prince Albert House 20 King Street Maidenhead Berkshire SL6 1DT

CITY PANTRY LTD

CONTENTS

BALANCE SHEET
AS AT 31 MARCH 2018

	Note		2018 £		*Restated 2017 £*
Fixed assets					
Intangible assets	4		-		*7,270*
Tangible assets	5		**11,811**		*21,463*
			11,811		*28,733*
Current assets					
Debtors: amounts falling due within one year	6	**1,021,414**		*530,262*	
Cash at bank and in hand	7	**1,796,212**		*19,072*	
		2,817,626		*549,334*	
Creditors: amounts falling due within one year	8	**(1,032,538)**		*(452,048)*	
Net current assets			**1,785,088**		*97,286*
Total assets less current liabilities			**1,796,899**		*126,019*
Creditors: amounts falling due after more than one year	9		**(1,377,606)**		*(383,538)*
Net assets/(liabilities)			**419,293**		*(257,519)*
Capital and reserves					
Called up share capital	11		**337**		*223*
Share premium account			**3,952,456**		*1,574,366*
Equity settled share based payments			**52,887**		*21,766*
Profit and loss account			**(3,586,387)**		*(1,853,874)*
			419,293		*(257,519)*

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2018.

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L K Miller
Director
The notes on pages 3 to 14 form part of these financial statements.

1. General information

City Pantry Ltd is a private company limited by shares. The company is registered in England and Wales. The registration number is 08443757. The registration address is Prince Albert House, 20 King Street, Maidenhead, Berkshire, SL6 1DT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Development expenditure	-	25 % straight line over four years

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 20% straight line
Plant and machinery	- 33.3% straight line
Office equipment	- 33.3% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing

2. Accounting policies (continued)

2.7 *Financial instruments (continued)*

transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. *Accounting policies (continued)*

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

2.10 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.11 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of income and retained earnings over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of income and retained earnings over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of income and retained earnings is charged with fair value of goods and services received.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

2. Accounting policies (continued)

2.15 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.16 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Employees

The average monthly number of employees, including directors, during the year was 44 *(2017 - 27)*.

4. Intangible assets

	Development £
Cost	
At 1 April 2017	**29,080**
At 31 March 2018	**29,080**
Amortisation	
At 1 April 2017	**21,810**
Charge for the year	**7,270**
At 31 March 2018	**29,080**
Net book value	
At 31 March 2018	**-**
At 31 March 2017	*7,270*

5. Tangible fixed assets

	Long-term leasehold property £	Office equipment £	Total £
Cost or valuation			
At 1 April 2017	**18,063**	**9,669**	**27,732**
Additions	**-**	**9,349**	**9,349**
Disposals	**(18,063)**	**(329)**	**(18,392)**
At 31 March 2018	**-**	**18,689**	**18,689**
Depreciation			
At 1 April 2017	**3,446**	**2,823**	**6,269**
Charge for the period on owned assets	**1,505**	**4,384**	**5,889**
Disposals	**(4,951)**	**(329)**	**(5,280)**
At 31 March 2018	**-**	**6,878**	**6,878**
Net book value			
At 31 March 2018	**-**	**11,811**	**11,811**
At 31 March 2017	*14,617*	*6,846*	*21,463*

The net book value of land and buildings may be further analysed as follows:

	2018 £	*2017 £*
Long leasehold	**-**	*14,617*
	-	*14,617*

6. Debtors

	2018 £	2017 £
Trade debtors	643,819	305,770
Other debtors	347,382	181,516
Prepayments and accrued income	30,213	42,976
	1,021,414	530,262

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,796,212	19,072
	1,796,212	19,072

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	556,391	334,880
Other taxation and social security	93,811	95,596
Other creditors	323,160	(653)
Accruals and deferred income	59,176	22,225
	1,032,538	452,048

9. Creditors: Amounts falling due after more than one year

	2018	*2017*
	£	*£*
Debentures loans	-	*383,538*
Other loans	**1,377,606**	-
	1,377,606	*383,538*

Secured loans

At the year end, included within other creditors, are secured liabilities of £1,657,655 *(2017: £Nil)*. THE creditors are secured by a fixed and floating charge.

10. Loans

Analysis of the maturity of loans is given below:

	2018	*2017*
	£	*£*
Amounts falling due 1-2 years		
Debenture loans	-	*383,538*
	-	*383,538*
Amounts falling due 2-5 years		
Other loans	**1,377,603**	-
	1,377,603	-
	1,377,603	*383,538*

11. Share capital

	2018	*2017*
	£	*£*
Allotted, called up and fully paid		
3,079,123 *(2017 - 2,228,950)* Ordinary shares of £0.0001 each	**308**	*223*
294,984 Ordinary A shares of £0.0001 each	**29**	-
	337	*223*

11. Share capital (continued)

During the year, 1,145,157 Ordinary shares of £0.0001 each were issued for a total consideration of £2,622,353.

12. Share based payments

The share-based payment charge of £52,887 *(2017: £21,766)* relates to equity-settled transactions with employees and is measured by reference to the fair value of the equity instrument at the date they are granted. The fair value of the equity instrument has been calculated by using the option pricing model (black-scholes model). During the year, 193,555 share options were granted to employees. None of the share options granted have been exercised at the end of the year. As a result, the total number of options outstanding at year end is 271,407.

13. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £6,480 *(2017 - £nil)*. Contributions totalling £1,599 *(2017 - £nil)* were payable to the fund at the balance sheet date and are included in creditors.

14. Transactions with directors

During the year, advances were made to the director, totalling £113 *(2017: £56)*. There were no repayments made during the year. No interest was charged on the overdrawn loan account at the official rate.

15. Related party transactions

At the year end, included in other creditors, is the amount of £833 *(2017: £833)* owed by the company by a close relative of the director.

16. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant FRS 105 as at 1 April 2016. The impact of the transition to FRS 102 is as follows:

	Note	*As previously stated 1 April 2016* £	*Effect of transition 1 April 2016* £	**FRS 102 (as restated) 1 April 2016** £	*As previously stated 31 March 2017* £	*Effect of transition 31 March 2017* £	**FRS 102 (as restated) 31 March 2017** £
Fixed assets		*16,385*	-	**16,385**	*28,733*	-	**28,733**
Current assets		*209,349*	-	**209,349**	*549,334*	-	**549,334**
Creditors: amounts falling due within one year		*(248,277)*	-	**(248,277)**	*(452,048)*	-	**(452,048)**
Net current (liabilities)/assets		*(38,928)*	-	**(38,928)**	*97,286*	-	**97,286**
Total assets less current liabilities		*(22,543)*	-	**(22,543)**	*126,019*	-	**126,019**
Creditors: amounts falling due after more than one year		*(200,000)*	-	**(200,000)**	*(383,538)*	-	**(383,538)**
Net liabilities		*(222,543)*	-	**(222,543)**	*(257,519)*	-	**(257,519)**
Capital and reserves		*(222,543)*	-	**(222,543)**	*(257,519)*	-	**(257,519)**

16. First time adoption of FRS 102 (continued)

	Note	*As previously stated 31 March 2017 £*	*Effect of transition 31 March 2017 £*	**FRS 102 (as restated) 31 March 2017 £**
Turnover		*719,010*	-	**719,010**
Cost of sales		*(361,715)*	-	**(361,715)**
		357,295	-	**357,295**
Distribution expenses		*(128,229)*	-	**(128,229)**
Administrative expenses		*(1,633,487)*	*(21,766)*	**(1,655,253)**
Operating profit		*(1,404,421)*	*(21,766)*	**(1,426,187)**
Interest payable and similar charges		*4,203*	-	**4,203**
Taxation		*178,777*	-	**178,777**
Loss on ordinary activities after taxation and for the financial year		*(1,221,441)*	*(21,766)*	**(1,243,207)**

Explanation of changes to previously reported profit and equity:

1 On transition to FRS102, equity-settled share-based payments have been measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments has been expensed on a straight-line basis over the vesting period from transition date, based on the company's estimate of shares that will eventually vest. The company has elected to take exemption against applying retrospective application of equity share-based payments which were granted before the date of transition from FRS105.