
CITY PANTRY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020



CITY PANTRY LTD

COMPANY INFORMATION

Directors

S Sunderland (resigned 12 October 2020)
Andrew Kenny (appointed 16 October 2020)
P Harrison (appointed 11 July 2019, resigned 30 June 2020)
James Sporle (appointed 11 July 2019, resigned 28 February 2021)
B Carter (appointed 11 March 2020, resigned 31 October 2020)
M Ephgrave (appointed 5 May 2021)
T Pereira (appointed 5 May 2021)

Registered number

08443757

Registered office

Fleet Place House
2 Fleet Place
London
England
EC4M 7RF

Trading Address

5th Floor
St Peters House
130 Wood Street
London
England
EC2V 6DL

Independent auditors

Donald Reid Limited
Chartered Accountants & Statutory Auditors
Prince Albert House
20 King Street
Maidenhead
Berkshire
SL6 1DT

CITY PANTRY LTD

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditors' report	6 - 9
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12 - 13
Statement of cash flows	14 - 15
Analysis of net debt	16
Notes to the financial statements	17 - 39

CITY PANTRY LTD

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

Introduction

City Pantry Ltd ("City Pantry" or the "Company") is an online catering platform that connects work teams with high-quality independent food vendors. The platform gives office managers an easy and reliable way to organise food for lunches, meetings, and events, combining the ease and reliability of a corporate caterer with the quality and variety offered by specialist food providers, small restaurants, independent chefs and street vendors.

City Pantry was founded in 2013 when consumer behaviour surrounding office catering was rapidly changing. There was a growing understanding that employees wanted a range of choice of better quality, branded food, with employers increasingly recognising food as a key tool of employee satisfaction.

Despite the rapid rise in a range of food delivery companies, City Pantry recognised that there was a gap in the market between the current contract caterers and big food delivery B2C players. The contract caterers were lacking range, contemporary branding, and tech savvy platforms that the consumer was now demanding.

Service agreements are in place with varying food vendors and Restaurant Partners from favourite local independents to national brands. City Pantry's customers gain valuable access to pre-scheduled, recurring, and high-volume corporate orders.

CITY PANTRY LTD

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

Business review

Our key performance indicators during the year were as follows:

		2020	2019	Change %
Revenue	£m	£1.7m	£3.3m	-48%
Operating loss	£m	£(8.4)m	£(7.0)m	-20%
Customer numbers		2,751	5,003	-45%

Following City Pantry being acquired by Just Eat in 2019 and the completion of the merger between Takeaway.com and Just Eat in Q1 2020, the business remains part of a combined organisation that operates in 24 different countries around the world and is the world's largest food marketplace provider outside of China. City Pantry continues to lead the organisation's B2B food delivery initiatives in the UK and continues to grow its market dominance in London, whilst working together with the Group's other B2B brands to become a true global leader in the corporate catering sector.

The past year has delivered a challenging trading environment driven by the outbreak of the Covid-19 pandemic in the UK, leading to government-enforced restrictions on movement and mandating of many office closures from mid-March 2020. Despite this, City Pantry rapidly pivoted its offering and launched new products in April 2020 allowing our corporate customers for the first time to offer food to their teams in non-office locations.

Revenue reduced by 48% to £1.7 million driven by the strong macro headwinds impacting trading over more than three quarters of the year. However, additional revenue streams have been generated from the new 'teams@home' products. These not only provided a partial mitigation to the external factors in 2020, have expanded our offering with new products which complement our delivered-to-office solutions. This puts the business in a much stronger position and a greater competitive advantage over its competitors, to provide catering solutions for corporate customers whether fully in-office, remote or structured hybrid ways of working.

Operating loss increased by 20% to £8.4 million caused by the flow through impact of falls in revenue combined with an increase in employee cost expensed as the business aligned its capitalisation policy to that of its parent company, Just Eat Takeaway.com. The underlying cost of operations was lower in 2020 than 2019 as the business took mitigating actions to reduce variable costs in response to falls in demand.

The business continued to prioritise investment in research and development expenditure, resulting in making significant steps forward in delivering further product enhancements and automating human-intensive processes (e.g. multi-vendor group ordering).

Principal risks and uncertainties

Principal risks and uncertainties are discussed in detail in the Annual Report of Just Eat Takeaway.com N.V., the ultimate parent of the Company as at 31 December 2020, which is available on <https://www.justeattakeaway.com/investors/results-and-reports/>. The principal risks and uncertainties that apply to the UK operations are: Competition; Innovation; Brand & reputation; People; Technology, reliability and availability; Social change, legislation & regulation; Data security & privacy; Operational complexity of hybrid model; Acquisitions; financial reporting; Integration & transformation and Global strategic projects.

CITY PANTRY LTD

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

Significant economic and political events

Economic and political factors have the potential to represent both risk and opportunities. For example, Brexit may have adverse implications on immigration, access to talent and food price inflation, impacting the Company and Restaurant Partners. When events such as Brexit occur, we conduct analysis to understand possible impacts and to mobilise action plans as necessary. We conduct rigorous financial planning to manage and monitor cost versus revenue performance.

This report was approved by the board on 24 September 2021 and signed on its behalf.

Andrew Kenny

Andrew Kenny (Sep 25, 2021 12:19 GMT+1)

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Andrew Kenny
Director

CITY PANTRY LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the period ended 31 December 2020.

Directors' responsibilities statement

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgments 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;
- 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 to 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.

Directors

The directors who served during the period were:

S Sunderland (resigned 12 October 2020)

Andrew Kenny (appointed 16 October 2020)

P Harrison (appointed 11 July 2019, resigned 30 June 2020)

James Sporle (appointed 11 July 2019, resigned 28 February 2021)

B Carter (appointed 11 March 2020, resigned 31 October 2020)

CITY PANTRY LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Donald Reid Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 September 2021 and signed on its behalf.

Andrew Kenny

Andrew Kenny (Sep 25, 2021 12:19 GMT+1)

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Andrew Kenny
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITY PANTRY LTD

Opinion

We have audited the financial statements of City Pantry Ltd (the 'Company') for the period ended 31 December 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes 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 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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.

CITY PANTRY LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITY PANTRY LTD (CONTINUED)

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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 period 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITY PANTRY LTD (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, 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.

Auditors' 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 Auditors' 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:

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

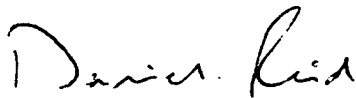
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual results that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings;
- assessing any management override of controls by testing journal entries and other adjustments and reviewing accounting estimates for indications of potential bias;
- evaluating any transactions that are unusual or outside the normal course of business; and
- maintaining alert to any fraud risks throughout the audit.

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 Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CITY PANTRY LTD (CONTINUED)

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 Auditors' 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.



Daniel Reid (FCA) (Senior statutory auditor)

for and on behalf of
Donald Reid Limited

Chartered Accountants
Statutory Auditors

Prince Albert House
20 King Street
Maidenhead
Berkshire
SL6 1DT

24 September 2021

CITY PANTRY LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Note	2020 £	As restated 2019 £
Turnover	4	1,659,329	3,333,423
Cost of sales		(1,321,418)	(1,692,286)
Gross profit		337,911	1,641,137
Distribution costs		(53,894)	(115,018)
Administrative expenses		(8,289,959)	(6,502,734)
Exceptional administrative expenses	11	(410,000)	(2,047,244)
Operating loss	5	(8,415,942)	(7,023,859)
Interest payable and expenses	9	(87,081)	(132,484)
Loss before tax		(8,503,023)	(7,156,343)
Tax on loss	10	342,193	(38,064)
Loss for the financial period		(8,160,830)	(7,194,407)
Other comprehensive income for the period			
Share based payments		-	142,986
Other comprehensive income for the period		-	142,986
Total comprehensive income for the period		(8,160,830)	(7,051,421)

The notes on pages 17 to 39 form part of these financial statements.

CITY PANTRY LTD
REGISTERED NUMBER: 08443757

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Intangible assets	12	1,871,773	655,757
Property, plant & equipment	13	1,481,079	198,761
		<u>3,352,852</u>	<u>854,518</u>
Current assets			
Stocks	14	13,776	19,196
Debtors: amounts falling due after more than one year	15	160,391	-
Debtors: amounts falling due within one year	15	1,990,231	2,424,660
Cash at bank and in hand	16	1,043,747	379,206
		<u>3,208,145</u>	<u>2,823,062</u>
Creditors: amounts falling due within one year	17	(3,495,954)	(1,718,229)
Net current (liabilities)/assets		<u>(287,809)</u>	<u>1,104,833</u>
Total assets less current liabilities		<u>3,065,043</u>	<u>1,959,351</u>
Creditors: amounts falling due after more than one year	18	(361,922)	(116,721)
Net assets		<u><u>2,703,121</u></u>	<u><u>1,842,630</u></u>
Capital and reserves			
Called up share capital	21	508	508
Share premium account	22	6,055,560	6,055,560
Capital contribution	22	14,757,890	5,736,569
Profit and loss account	22	(18,110,837)	(9,950,007)
		<u><u>2,703,121</u></u>	<u><u>1,842,630</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 September 2021.

Andrew Kenny
Andrew Kenny (Sep 25, 2021 12:19 GMT+1)

Andrew Kenny
Director

The notes on pages 17 to 39 form part of these financial statements.

CITY PANTRY LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020 (as previously stated)	508	6,055,560	5,736,569	(10,803,698)	988,939
Prior year adjustment on transition to FRS 101 (note 28)	-	-	-	853,691	853,691
At 1 January 2020 (as restated)	<u>508</u>	<u>6,055,560</u>	<u>5,736,569</u>	<u>(9,950,007)</u>	<u>1,842,630</u>
Comprehensive income for the period					
Loss for the period	-	-	-	(8,160,830)	(8,160,830)
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,160,830)</u>	<u>(8,160,830)</u>
Capital contribution	-	-	9,021,321	-	9,021,321
Total transactions with owners	<u>-</u>	<u>-</u>	<u>9,021,321</u>	<u>-</u>	<u>9,021,321</u>
At 31 December 2020	<u><u>508</u></u>	<u><u>6,055,560</u></u>	<u><u>14,757,890</u></u>	<u><u>(18,110,837)</u></u>	<u><u>2,703,121</u></u>

The notes on pages 17 to 39 form part of these financial statements.

CITY PANTRY LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Equity settled share based payments reserve	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2019 (as previously stated)	338	3,948,182	142,986	-	(5,758,403)	(1,666,897)
Prior year adjustment	-	-	-	-	875,794	875,794
At 1 January 2019 (as restated)	338	3,948,182	142,986	-	(4,882,609)	(791,103)
Comprehensive income for the year						
Loss for the year (as restated)	-	-	-	-	(7,194,407)	(7,194,407)
Share options exercised	-	-	-	-	2,127,009	2,127,009
Share based payment reserve released on exercising of share options	-	-	(142,986)	-	-	(142,986)
Total comprehensive income for the year	-	-	(142,986)	-	(5,067,398)	(5,210,384)
Shares issued during the year	170	2,107,378	-	-	-	2,107,548
Capital contribution	-	-	-	5,736,569	-	5,736,569
Total transactions with owners	170	2,107,378	-	5,736,569	-	7,844,117
At 31 December 2019	508	6,055,560	-	5,736,569	(9,950,007)	1,842,630

The notes on pages 17 to 39 form part of these financial statements.

CITY PANTRY LTD

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	2020 £	As restated 2019 £
Cash flows from operating activities		
Loss for the financial period	(8,160,830)	(7,194,407)
Adjustments for:		
Amortisation of intangible assets	437,221	38,566
Depreciation of tangible assets	1,025,025	298,336
Loss on disposal of tangible assets	-	148
Interest paid	87,081	132,484
Taxation charge	(342,193)	38,064
Decrease/(increase) in stocks	5,420	(19,196)
Decrease/(increase) in debtors	616,221	(182,947)
Increase/(decrease) in creditors	438,769	(197,816)
Increase in amounts owed to groups	223,222	-
Corporation tax received	8	100,066
Share based payments	-	1,984,023
Net cash generated from operating activities	(5,670,056)	(5,002,679)
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,653,237)	(694,607)
Purchase of tangible fixed assets	(187)	(3,519)
HP interest paid	(85,557)	(14,540)
Net cash from investing activities	(1,738,981)	(712,666)

CITY PANTRY LTD

**STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from financing activities		
Issue of ordinary shares	-	2,107,548
Repayment of other loans	-	(1,558,954)
Repayment of/new finance leases	(946,219)	(172,842)
Interest paid	(1,524)	(117,944)
Capital contribution from parent	9,021,321	5,736,569
Net cash used in financing activities	8,073,578	5,994,377
Net increase in cash and cash equivalents	664,541	279,032
Cash and cash equivalents at beginning of period	379,206	100,174
Cash and cash equivalents at the end of period	1,043,747	379,206
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	1,043,747	379,206
	1,043,747	379,206

The notes on pages 17 to 39 form part of these financial statements.

CITY PANTRY LTD

**ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	At 1 January 2020 £	Cash flows £	New finance leases £	At 31 December 2020 £
Cash at bank and in hand	379,206	664,541	-	1,043,747
Finance leases	(243,878)	870,151	(2,231,088)	(1,604,815)
	<u>135,328</u>	<u>1,534,692</u>	<u>(2,231,088)</u>	<u>(561,068)</u>

The notes on pages 17 to 39 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

1. General information

City Pantry Ltd is a private company limited by shares. The company is incorporated in the United Kingdom and registered in England and Wales. The registration number is 08443757. The registration address is Fleet Place House, 2 Fleet Place, London, England, EC4M 7RF.

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 Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 101 is given in note 28.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

First time application of FRS 101

The following principal accounting policies have been applied:

2.2 Going concern.

During the year, the company made a loss of £8,160,830. The company continues to be supported by its immediate parent company, Just Eat Holding Limited. Just Eat Holding Limited will continue to provide support to City Pantry Limited for at least 12 months after the balance sheet date.

2.3 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 comprehensive income 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 comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 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:

General revenue recognition

Revenue is earned through the contracts held with Restaurant Partners and through the arrangements entered into with customers via the City Pantry ordering platform.

Revenue is recognised at the point in time when value and control is transferred to the customer and it is probable that the Company will collect the related consideration, being delivery of food to a customer. Revenue is measured net of VAT.

Commission

Commission revenue generated from Restaurant Partners is earned and recognised when a customer's order is fulfilled, being the point at which the Company has no remaining transactional obligations. As fulfilment of the food order remains the responsibility of, and therefore remains within the control of, the Restaurant Partner, the gross order value placed by the customers is not recognised as revenue, only the commission to which the Company is entitled.

Delivery revenue

Delivery revenue is earned when the Company arranges the food delivery, instead of the Restaurant Partner using its own delivery system.

Where the Company arranges delivery, all delivery fees are recognised as revenue at the point of order fulfilment to the customer. This is irrespective of whether the individual making the delivery is an employee of the Company, a contractor, or an employee of a third party service company, as the Company maintains primary responsibility of the Restaurant Partner, and therefore the gross order value placed by customers is not recognised as revenue, only the commission to which the Company is entitled.

2.5 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The incremental borrowing rate has been calculated based on external advice..

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.5 Leases (continued)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.13.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.8 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 comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 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 comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position 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 comprehensive income over the remaining vesting period.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.12 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.

Amortisation is provided on the following bases:

Development expenditure	-	33 % straight line
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2.13 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

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
Short-term leasehold property	- the length of the lease
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 comprehensive income.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 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.

2.16 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.17 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.19 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.19 Financial instruments (continued)

is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that the actual outcomes could differ from those estimates. The following judgments have had the most significant effect on amounts recognised in the financial statements:

Bad debt provision

Provisions are estimated by the company in respect of specific bad debts based upon the age of the debt and knowledge of any issues which may cast doubt on the recoverability of the debt.

Amortisation

Intangible assets are amortised over their useful life economic lives. The actual lives of the intangible assets are assessed annually and may vary depending on a range of factors. These factors include product life cycles, maintenance programs of the assets, as well as technological innovation.

The applicable accounting policies detailing this area are shown in note 2.12.

Depreciation

Tangible assets are depreciated over their useful economic lives. The actual lives of the tangible assets are assessed annual and may vary on a range of factors. Leased assets are depreciated over the length of the lease.

The applicable accounting policies detailing this area are shown in note 2.13.

Capitalisation of development costs

A degree of judgment is required when assessing the associated costs of development. Costs are capitalised if they are identifiable, the project is clearly defined and the product will enhance the earning capacity of the company.

CITY PANTRY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Commission	948,150	2,718,561
Delivery	215,332	584,905
Other	495,847	29,957
	<u>1,659,329</u>	<u>3,333,423</u>
	2020 £	2019 £
United Kingdom	1,659,329	3,333,423
	<u>1,659,329</u>	<u>3,333,423</u>

All turnover arose within the United Kingdom.

Timing of revenue recognition:

	2020 £	2019 £
Goods and services transferred at a point in time	1,659,329	3,333,423
	<u>1,659,329</u>	<u>3,333,423</u>

5. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Exchange differences	-	45
Other operating lease rentals	47,176	20,825
	<u>47,176</u>	<u>20,825</u>

CITY PANTRY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,000	8,500

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	3,500,816	2,760,877
Social security costs	314,251	314,798
Cost of defined contribution scheme	48,842	40,370
	3,863,909	3,116,045

In addition to the amounts above, wages and salaries of £740,152 (2019: £376,111), social security costs of £87,451 (2019: £46,864) and pension contributions of £12,626 (2019: £7,225) associated with development costs have been capitalised.

The average monthly number of employees, including the directors, during the period was as follows:

	2020 No.	2019 No.
Management	4	4
Product & Design	24	17
Vendors	12	9
Operations	4	2
Customer Experience	10	8
Account Management	11	9
Sales	7	6
Marketing	6	5
Business Intelligence	1	1
Finance	2	2
Recruitment	1	1
Expansion	2	2
	84	66

CITY PANTRY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

Employees (continued)

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	35,683	180,000
Company contributions to defined contribution pension schemes	421	1,719
	<u>36,104</u>	<u>181,719</u>

9. Interest payable and similar expenses

	2020 £	2019 £
Other loan interest payable	-	117,944
Finance leases and hire purchase contracts	85,557	14,540
Other interest payable	1,524	-
	<u>87,081</u>	<u>132,484</u>

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	(342,193)	38,064
	<u>(342,193)</u>	<u>38,064</u>
Total current tax	<u>(342,193)</u>	<u>38,064</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	<u>(342,193)</u>	<u>38,064</u>

CITY PANTRY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

10. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 re	2019 £
Loss on ordinary activities before tax	<u>(8,503,023)</u>	<u>(7,156,343)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,615,574)	(1,359,705)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	397,740
Group relief surrendered for nil consideration	-	482,450
Other differences leading to an increase (decrease) in the tax charge	1,273,381	(55,193)
Change in unrecognised deferred tax assets	-	579,364
Effect of current tax rate on deferred tax recognised	-	(6,592)
Total tax charge for the period/year	<u>(342,193)</u>	<u>38,064</u>

Factors that may affect future tax charges

At 31 December 2019 the company had unutilised trading tax losses amounting to £5,355,114 (2019: £5,355,144) carried forward and available for use against future trading profits.

11. Exceptional items

	2020 £	2019 £
Legal costs in relation to change in ownership	7,200	63,221
Share based payment	402,800	1,984,023
	<u>410,000</u>	<u>2,047,244</u>

CITY PANTRY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

12. Intangible assets

	Development expenditure £
Cost	
At 1 January 2020	723,403
Additions - internal	1,653,237
At 31 December 2020	<u>2,376,640</u>
Amortisation	
At 1 January 2020	67,646
Charge for the period on owned assets	437,221
At 31 December 2020	<u>504,867</u>
Net book value	
At 31 December 2020	<u>1,871,773</u>
At 31 December 2019	<u>655,757</u>

CITY PANTRY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

13. Tangible fixed assets

	Long-term leasehold property £	Short-term leasehold property £	Office equipment £	Total £
Cost or valuation				
At 1 January 2020	-	292,511	225,220	517,731
Additions	2,226,590	-	80,753	2,307,343
Disposals	-	(292,511)	-	(292,511)
At 31 December 2020	2,226,590	-	305,973	2,532,563
Depreciation				
At 1 January 2020	-	250,724	68,246	318,970
Charge for the period on owned assets	-	-	3,046	3,046
Charge for the period on right-of-use assets	902,545	41,787	77,647	1,021,979
Disposals	-	(292,511)	-	(292,511)
At 31 December 2020	902,545	-	148,939	1,051,484
Net book value				
At 31 December 2020	1,324,045	-	157,034	1,481,079
At 31 December 2019	-	41,787	156,974	198,761

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of financial position is as follows:

	2020 £	2019 £
Tangible fixed assets owned	6,676	9,536
Right-of-use tangible fixed assets	1,474,403	189,225
	1,481,079	198,761

CITY PANTRY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

13. Tangible fixed assets (continued)

Information about right-of-use assets is summarised below:

Net book value

	2020 £	2019 £
Property	1,324,045	41,787
Office and computer equipment	150,358	147,438
	<u>1,474,403</u>	<u>189,225</u>

Depreciation charge for the period ended

	2020 £	2019 £
Office equipment	(77,647)	(42,099)
Short leasehold	-	(250,724)
Long Leasehold	(944,332)	-
	<u>(1,021,979)</u>	<u>(292,823)</u>

Additions to right-of-use assets

	2020 £	2019 £
Additions to right-of-use assets	<u>2,307,156</u>	<u>416,720</u>

CITY PANTRY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

14. Stocks

	2020 £	2019 £
Raw materials and consumables	13,776	19,196
	<u>13,776</u>	<u>19,196</u>

15. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	160,391	-
	<u>160,391</u>	<u>-</u>

	2020 £	2019 £
Due within one year		
Trade debtors	386,830	568,438
Other debtors	560,666	925,365
Prepayments and accrued income	63,327	54,545
Deferred taxation	979,408	876,312
	<u>1,990,231</u>	<u>2,424,660</u>

16. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,043,747	379,206
	<u>1,043,747</u>	<u>379,206</u>

CITY PANTRY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	774,169	986,007
Amounts owed to group undertakings	223,222	-
Other taxation and social security	208,042	131,153
Obligations under finance lease and hire purchase contracts	1,242,893	127,156
Other creditors	166,350	134,688
Accruals and deferred income	881,278	339,225
	<u>3,495,954</u>	<u>1,718,229</u>

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

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	361,922	116,721
	<u>361,922</u>	<u>116,721</u>

19. Deferred taxation

	2020 £
At beginning of year	876,312
Charged to profit or loss	103,096
At end of year	<u>979,408</u>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Differences in tax rates	979,408	876,312
	<u>979,408</u>	<u>876,312</u>

CITY PANTRY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

20. Leases

Company as a lessee

The company leases a property. The periodic rent is fixed over a period of time.

Lease liabilities are due as follows:

	2020 £
Not later than one year	1,242,893
Between one year and five years	361,922
	<u>1,604,815</u>

Contractual undiscounted cash flows are due as follows:

	2020 £
Not later than one year	1,292,427
Between one year and five years	366,656
	<u>1,659,083</u>

The cash outflow on the leases during the year were £853,464 (2019: £298,250)

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2020 £
Interest expense on lease liabilities	<u>85,557</u>

CITY PANTRY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

21. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
5,081,666 (2019 - 3,567,209) Ordinary shares of £0.0001 each	508.1666	356.7209
Nil (2019 - 314,457) Ordinary A shares of £0.0001 each	-	31.4457
Nil (2019 - 1,200,000) Preferred Ordinary shares of £0.0001 each	-	120.0000
	<u>508.1666</u>	<u>508.1666</u>

On 27 June 2020, 1,200,000 preferred ordinary shares of £0.0001 and 314,457 A ordinary shares of £0.0001 were redesignated as ordinary shares. No consideration was paid. All ordinary shares have pari passu voting, income and capital rights.

22. Reserves**Share premium account**

This reserve records the amount above the nominal value received for a share sold, less transaction costs.

Profit and loss account

This reserve includes all current and prior year retained profit and losses made by the company.

23. Share based payments

On acquisition of City Pantry by Just Eat Holding Limited on 11 July 2019, all of the share options granted to option holders vested and were exercised.

24. 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 £48,842 (2019 - £40,370). Contributions totalling £19,422 (2019 - £25,056) were payable to the fund at the balance sheet date and are included in creditors.

25. Transactions with directors

During the period, there were repayments totalling £Nil (2019: £163) made during the period.

26. Related party transactions

At year end, there is an amount totalling £223,222 (2019: £Nil) included in creditors owed to the parent company, Just Eat Holding Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

27. Controlling party

The ultimate controlling party from 11 July 2019 until 31 January 2020 was Just Eat Limited, a company incorporated in England and Wales. The registered address of Just Eat Limited is Fleet Place House, 2 Fleet Place, London, EC4M 7RF. Just Eat Limited did not have a majority shareholder up to 31 January 2020 as it was a publicly traded company named Just Eat plc.

Following the acquisition of Just Eat Limited on 31 January 2020 and subsequent approval by the UK Competition and Markets Authority on 15 April 2020, the ultimate parent company is Just Eat Takeaway.com N.V, a company incorporated in the Netherlands. The registered address of Just Eat Takeaway.com N.V. is Oosterdoksstraat 80, 1011 DK, Amsterdam, the Netherlands. Just Eat Takeaway.com N.V. does not have a majority shareholder.

CITY PANTRY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

28. First time adoption of FRS 101

The Company transitioned to FRS 101 from previously extant UK GAAP as at 1 January 2019. The impact of the transition to FRS 101 is as follows:

	As previously stated 1 January 2019 £	Effect of transition 1 January 2019 £	FRS 101 (as restated) 1 January 2019 £	As previously stated 31 December 2019 £	Effect of transition 31 December 2019 £	FRS 101 (as restated) 31 December 2019 £
Note						
Fixed assets	11,393	65,328	76,721	665,293	189,225	854,518
Current assets	1,603,703	876,312	2,480,015	1,946,750	876,312	2,823,062
Creditors: amounts falling due within one year	(1,723,040)	(23,633)	(1,746,673)	(1,591,072)	(127,157)	(1,718,229)
Net current assets	(119,337)	852,679	733,342	355,678	749,155	1,104,833
Total assets less current liabilities	(107,944)	918,007	810,063	1,020,971	938,380	1,959,351
Creditors: amounts falling due after more than one year	(1,558,954)	(42,213)	(1,601,167)	(32,032)	(84,689)	(116,721)
Net (liabilities)/assets	(1,666,898)	875,794	(791,104)	988,939	853,691	1,842,630
Capital and reserves	(1,666,898)	875,794	(791,104)	988,939	853,691	1,842,630

CITY PANTRY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

28. First time adoption of FRS 101 (continued)

		As previously stated 31 December 2019 £	Effect of transition 31 December 2019 £	FRS 101 (as restated) 31 December 2019 £
Turnover	Note	3,333,423	-	3,333,423
Cost of sales		(1,692,286)	-	(1,692,286)
		1,641,137	-	1,641,137
Distribution expenses		(115,018)	-	(115,018)
Administrative expenses		(8,542,415)	(7,563)	(8,549,978)
Operating profit		(7,016,296)	(7,563)	(7,023,859)
Interest payable and similar charges		(117,944)	(14,540)	(132,484)
Taxation		(38,064)	-	(38,064)
Loss on ordinary activities after taxation and for the financial year		(7,172,304)	(22,103)	(7,194,407)

Explanation of changes to previously reported profit and equity:

- 1 From transition from FRS 102 1A to FRS 101 there had been a restatement totalling £22,103 to the prior year figures. Fixed assets have been restated by £189,225 as operating leases have been capitalised. Creditors have been restated by £64,689 to recognise the remaining obligation of the operating leases that have been capitalised. As a result of these restatements the loss for the year has increased by £22,103.