

Carluccio's USA Limited

Financial Statements for
the period ended 23 September 2018

Registered number: 08709589

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Carluccio's USA Limited

DIRECTORS: Andrew Campbell (Chief Financial Officer)

REGISTERED OFFICE: 35 Rose Street
London
WC2E 9EB

REGISTERED NUMBER: 08709589

AUDITORS: BDO LLP
55 Baker Street
London
W1U 7EU

Carluccio's USA Limited

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Carluccio's USA Limited

DIRECTORS' REPORT

The directors present their report and the financial statements of Carluccio's USA Limited ("the Company") for the period ending 23 September 2018.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company incurred further closure costs in the period as the US operations of the Group were closed in the previous year.

DIRECTORS

The directors, who served throughout the period unless stated below, were as follows:

Neil Wickers	<i>Chief Executive Officer (resigned 8 January 2018)</i>
Andrew Campbell	<i>Chief Financial Officer (appointed 15 January 2018)</i>

Directors' Remuneration

All directors are employed under service contracts with the parent company, C1 Acquisitions Limited.

INDEMNITY COVER

Third party indemnity cover was in force for the directors during the financial period and remains in force at the date of approving the directors' report.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 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.

AUDITORS

BDO LLP, have signified their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Carluccio's USA Limited**DIRECTORS' REPORT (continued)****GOING CONCERN**

The Company's ultimate parent company, Landmark Retail Holdings 1 Limited, has provided up to £10m additional funding to the Group following the Company Voluntary Agreement entered into by Carluccio's Limited on 31 May 2018.

As a result of this support and the cashflow forecasts prepared by management, the Board consider that the Group has adequate resources and facilities to continue in operational existence and to meet its liabilities as they fall due for the foreseeable future, and therefore the financial statements contained herein are prepared on a going concern basis.

STRATEGIC REPORT

The Company has taken advantage of the small companies exemption of Section 415A of the Companies Act 2006 in preparing the Director's report, and of the small companies exemption in not preparing the Strategic Report.

On behalf of the Board



Andrew Campbell
Director

28 June 2019
(registered number 08709589)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLUCCIO'S USA LIMITED

Opinion

We have audited the financial statements of Carluccio's USA Limited ("the Company") for the period from 25 September 2017 to 23 September 2018 which comprise the statement of comprehensive income, the statement of changes in equity, the balance sheet, the statement of cash flows 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 23 September 2018 and its result for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLUCCIO'S USA LIMITED (continued)

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 Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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.



Mark RA Edwards (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London

28 June 2019

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

Carluccio's USA Limited

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 23 September 2018

	52 weeks ended 23 September 2018 \$'000	52 weeks ended 24 September 2017 \$'000
Revenue	-	-
Cost of sales	<u>-</u>	<u>-</u>
GROSS PROFIT	-	-
Administrative expenses	<u>366</u>	<u>(13,928)</u>
OPERATING PROFIT/(LOSS)	366	(13,928)
Finance income	-	-
Finance expense	<u>-</u>	<u>-</u>
PROFIT/(LOSS) BEFORE TAXATION	366	(13,928)
Income tax	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	366	(13,928)
Other comprehensive income for the period	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	<u>366</u>	<u>(13,928)</u>

Carluccio's USA Limited

STATEMENT OF CHANGES IN EQUITY

For the period ended 23 September 2018

	Share capital	Retained earnings	Total equity
	\$'000	\$'000	\$'000
At 25 September 2016	<u>2,300</u>	<u>-</u>	<u>2,300</u>
Profit/ (Loss) for the financial period	<u>-</u>	<u>(13,928)</u>	<u>(13,928)</u>
Total comprehensive income for the period	<u>-</u>	<u>(13,928)</u>	<u>(13,928)</u>
At 24 September 2017	<u>2,300</u>	<u>(13,928)</u>	<u>(11,628)</u>
Profit/ (Loss) for the financial period	<u>-</u>	<u>366</u>	<u>366</u>
Total comprehensive income for the period	<u>-</u>	<u>366</u>	<u>366</u>
At 23 September 2018	<u>2,300</u>	<u>(13,562)</u>	<u>(11,262)</u>

Carluccio's USA Limited

BALANCE SHEET

As at 23 September 2018

	Note	2018 \$'000	2017 \$'000
FIXED ASSETS			
Investment in subsidiaries	8	<u>1</u>	<u>1</u>
		1	1
CURRENT ASSETS			
Trade and other receivables	9	<u>130</u>	<u>-</u>
			-
TOTAL ASSETS		<u>131</u>	<u>1</u>
CREDITORS: amount falling due within one year			
Trade and other payables	10	<u>11,393</u>	<u>11,629</u>
		11,393	11,629
TOTAL LIABILITIES		<u>11,393</u>	<u>11,629</u>
NET CURRENT LIABILITIES			
		<u>(11,263)</u>	<u>(11,629)</u>
NET LIABILITIES		<u>(11,262)</u>	<u>(11,628)</u>
CAPITAL AND RESERVES			
Called up share capital	11	2,300	2,300
Retained Earnings		<u>(13,562)</u>	<u>(13,928)</u>
TOTAL EQUITY		<u>(11,262)</u>	<u>(11,628)</u>

The notes on pages 8 to 11 form part of these financial statements.

The financial statements were approved by the Board of directors and authorised for issue on 28 June 2019 and signed on its behalf by:



Andrew Campbell
Director

(registered number 08709589)

Carluccio's USA Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 23 September 2018

1 GENERAL INFORMATION

The financial statements of the Company for the period ended 23 September 2018 were authorised for issue in accordance with a resolution of the directors on 28 June 2019.

Carluccio's USA Limited is incorporated in the United Kingdom with registration number 08709589. The Company is domiciled in the United Kingdom and has its registered office at 35 Rose Street, Covent Garden, London WC2E 9EB.

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB) and as endorsed by the European Union. The principal accounting policies adopted by the Company are set out below.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Carluccio's Limited. The results of Carluccio's USA Limited are included in the consolidated financial statements of C1 2014 Limited which are publically available from 35 Rose Street, London WC2E 9EB. The immediate parent of Carluccio's Limited is C1 Acquisitions Limited, who is a wholly owned subsidiary of C1 2014 Limited.

The financial statements have been prepared on a historical cost basis and are presented in, US dollars rounded to the nearest thousand, except where indicated otherwise.

The financial statements are prepared to the end of whole week (Sunday) ending within 7 days of 30 September.

3 GOING CONCERN

The Company's ultimate parent company, Landmark Retail Holdings 1 Limited, has provided up to £10m additional funding to the Group following the Company Voluntary Agreement entered into by Carluccio's Limited on 31 May 2018.

As a result of this support and the cash flow forecasts prepared by management, the Board consider that the Company has adequate resources and facilities to continue in operational existence and to meet its liabilities as they fall due for the foreseeable future, and therefore the financial statements contained herein are prepared on a going concern basis.

4 ACCOUNTING POLICIES

At the date of authorisation of these financial statements, the following new and revised Standards and interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in the financial statements.

IAS 12 (Amended) Recognition of Deferred Tax Assets for Unrealised Losses
IAS 7 (Amended) Disclosure Initiative

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 9 (Revised) Financial Instruments
IFRS 15 (Revised) Revenue from Contracts with Customers
IFRS 16 (Issued) Leases
IFRS 2014 – 2016 Cycle

The Directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Company in future periods, except as noted below:

IFRS 9 will impact both the measurement and disclosure of financial instruments, but will not impact on the underlying cash flows of the Company.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Carluccio's USA Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

ACCOUNTING POLICIES (continued)

The significant accounting policies adopted by the Company are as follows:

Foreign currency translation

The company's financial statements are presented in US Dollars, which is also the company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Investment in subsidiary

Investments are initially recognised at cost plus directly attributable transactions costs. The carrying value of the investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable

Financial Instruments

Financial assets

Trade debtors are repayable on demand and are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Financial liabilities

The Company's financial liabilities consist only of trade and other payables and accruals, which are initially recognised at fair value and subsequently carried at amortised cost.

Income taxes

Income taxes, current taxes and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities, based on tax rates and legislation that is enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base. The balance sheet method is used to calculate the deferred tax, on an undiscounted basis, at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates and legislation that is enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that there will be sufficient taxable profit available to offset against the deductible temporary differences, carried forward tax credits or losses. Deferred tax is charged or credited directly to the income statement unless it relates to items charged or credited to equity in which case it is also accounted for within equity.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements under IFRS requires the directors to make estimates and judgements that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

The directors evaluate that there are no estimates and assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, save for the judgement that the intercompany loan to its subsidiary will be recovered in full and therefore does not require an impairment.

Carluccio's USA Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 AUDITOR'S REMUNERATION

The audit fees of \$3,000 (2017: \$5,400) are paid by the Company's subsidiary Carluccio's USA GP.

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 its parent C1 2014 Limited (s494).

7 DIRECTORS REMUNERATION

All directors are employed under service contracts with the parent company, C1 Acquisitions Limited, thus no remuneration costs are incurred by the Company.

8 INVESTMENT IN SUBSIDIARIES

The Company's investment in subsidiaries is as follows:

	2018 \$'000	2017 \$'000
Shares in subsidiary undertakings	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

In the opinion of the Directors the value of the investments in the subsidiary undertakings and the loan is not less than the amount shown above.

The principal subsidiaries of the Company at 23 September 2018 are as follows.

Name	Incorporated in	Proportion of voting rights and shares held	Principal activities	Registered Office
Carluccio's USA GP	USA	99.9%	Dormant	Delaware, USA
Carluccio's USA Incorporated	USA	100%	Holding Company	Delaware, USA

9 TRADE AND OTHER RECEIVABLES

	2018 \$'000	2017 \$'000
Amounts owed from subsidiary undertakings	<u>130</u>	<u>-</u>
	<u>130</u>	<u>-</u>

Amounts owed from subsidiaries are repayable on demand, there is no fixed term or redemption date, and are non-interest bearing. During the period to 24 September 2017 the Company made a full provision for balance due from Carluccio's USA GP.

10 TRADE AND OTHER PAYABLES

	2018 \$'000	2017 \$'000
Held within current liabilities:		
Amounts due to parent undertakings	<u>11,393</u>	<u>11,629</u>
	<u>11,393</u>	<u>11,629</u>

Amounts due to parent undertakings are non-interest bearing and are for no fixed term.

Carluccio's USA Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 SHARE CAPITAL

	Authorised, allotted, called up and fully paid			
	2018 Number '000	2017 Number '000	2018 \$'000	2017 \$'000
Ordinary shares of £1 each	1,408	1,408	2,300	2,300
	<u>1,408</u>	<u>1,408</u>	<u>2,300</u>	<u>2,300</u>

12 RESERVES

The nature and purpose of each reserve is explained below:

Share capital – represents the nominal value of shares in issue.

13 RELATED PARTY TRANSACTIONS

The immediate parent company, Carluccio's Limited, owns 100% of the share capital of Carluccio's USA Limited.

As at the period end, \$11,393,000 was owed from Carluccio's USA Limited (2017: \$11,629,000). The balance was originally owed to Carluccio's Limited. Following the cessation of trade in the USA, the balance has been transferred to C1 Acquisitions Limited, the immediate parent company of Carluccio's Limited, who have guaranteed the loan in its entirety. C1 Acquisitions Limited will not call this due within the next twelve months.

14 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Carluccio's Limited, a company incorporated in the United Kingdom.

The directors consider the ultimate parent undertaking and controlling party to be Landmark Retail Holdings 1 Limited, a company incorporated in the British Virgin Islands.

The parent undertakings of the smallest and largest groups of which the company is a member and for which group accounts are prepared are:

Largest Group	Landmark Retail Holdings 1 Limited
Smallest Group	C1 2014 Limited

Copies of the group accounts of C1 2014 Limited are available from the Company's head office: 35 Rose Street, London, WC2E 9EB.