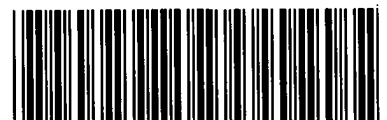


**BV Restaurant Group Limited**  
**Financial statements**  
**for the period ended 30 December 2017**

Registered number: 09689333

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# **BV Restaurant Group Limited**

## **Financial statements 2017**

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# **BV Restaurant Group Limited**

## **Financial statements 2017**

### **Officers and professional advisers**

#### **Director**

A Gudmundsson

#### **Secretary**

S Witham

#### **Registered Office**

Fitzroy Place  
8 Mortimer Street  
London  
W1T 3JJ

#### **Bankers**

Barclays Bank PLC  
Multinational Corporates  
One Churchill Place  
London  
E14 5HP

#### **Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

## **BV Restaurant Group Limited**

### **Director's report for the period from 1 January 2017 to 30 December 2017**

The Director presents his report and the audited financial statements, for BV Restaurant Group Limited (the "Company") for the 52 week period from 1 January 2017 to 30 December 2017 ("2017"). Comparatives are for a long period of account from 16 July 2015 to 31 December 2016 ("2016"), which was the first period of account for the Company since its incorporation on 16 July 2015. The Company is a 100% owned subsidiary and operates within the Bakkavor Group plc group (the "Group"). The Company was originally incorporated as Inferno Group Limited but changed its name to BV Restaurant Group Limited on 16 September 2016.

Events after the balance sheet date are detailed in note 21.

#### **Principal activity**

The principal activity of the Company is the operating of fast casual restaurants.

#### **Director**

The Director who held office during the period and up to the date of signing was as follows:

A Gudmundsson

#### **Fair review of the business**

As shown in the Company's Profit and loss account, sales amounted to £1,156,000 (2016 - £934,000). Operating loss was £6,886,000 an increase of £5,475,000 compared to the prior period (16 July 2015 to 31 December 2016). Given that the business is expected to generate operating losses for the foreseeable future the Company has concluded that the property, plant and equipment needs to be fully impaired (charge of £2,241,000 (2016 - £nil) and an onerous lease provision of £2,017,000 (2016 - £nil) is required in respect of the property leases. A dilapidation provision of £124,000 (2016 - £nil) for three property leases has also been made. Excluding these one off amounts the operating loss was £2,504,000 (2016 - loss £1,411,000).

The Company is currently considering options in terms of restructuring its operations to make the business profitable in the future.

#### **Going concern**

The Director, in his detailed consideration of going concern, has reviewed the Company's future cash forecasts and revenue projections up to January 2020, which he believes are based on prudent market data and past experience. These forecasts indicate that the Company is expected to continue to be loss making for the foreseeable future and is reliant on parent company support via access to the Group's financing arrangements to make payments as they fall due. At the date of this report the Group has complied in all respects with the terms of its borrowing agreements, including its financial covenants, and forecasts to continue to do so and therefore adequate financing facilities are expected to be available to the Company.

The Group has issued a letter of support confirming that it will continue to support the Company for a period of at least 12 months from the date of approval of these financial statements. Consequently the Director considers that the Company has adequate resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements. For this reason, he continues to adopt the going concern basis in preparing the financial statements.

#### **Small Companies Exemption**

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2014 relating to small companies. The Director has taken exemption under this regime not to disclose the strategic report.

## **BV Restaurant Group Limited**

### **Director's report for the period from 1 January 2017 to 30 December 2017**

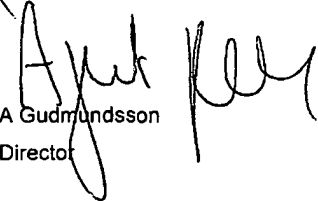
#### **Director's liabilities**

The Company has made qualifying third party indemnity provisions for the benefit of the Director which remain in force at the date of this report.

#### **Disclosure of information to the auditor**

The Director has taken steps that he ought to have taken as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Director confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board on 18 January 2019 and signed on its behalf by:

  
A Gudmundsson  
Director

## **BV Restaurant Group Limited**

### **Statement of Director's responsibilities**

The Director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under Company law the Director must not approve the financial statements unless he is 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 Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

## **BV Restaurant Group Limited**

### **Independent auditor's report to the members of BV Restaurant Group Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of BV Restaurant Group Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of changes in equity;
- the balance sheet;
- the related notes 1 to 22.

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).

##### **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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the Director's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Director has 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.

We have nothing to report in respect of these matters.

## **BV Restaurant Group Limited**

### **Independent auditor's report to the members of BV Restaurant Group Limited (continued)**

#### **Other information**

The Director is 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 respect of these matters.

#### **Responsibilities of the Director**

As explained more fully in the Director's responsibilities statement, the Director is 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 Director 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 Director is 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 Director either intends to liquidate the Company or to cease operations, or has 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 on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## **BV Restaurant Group Limited**

### **Independent auditor's report to the members of BV Restaurant Group Limited (continued)**

#### **Report on other legal and regulatory requirements**

##### **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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the director's report.

##### **Matters on which we are required to report by exception**

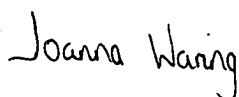
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the Director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

##### **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.



-----  
Joanna Waring FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Nottingham  
United Kingdom

18 January 2019

## BV Restaurant Group Limited

### Profit and loss account 52 weeks ended 30 December 2017

		Period from 1 January 2017 to 30 December 2017 £'000	Period from 16 July 2015 to 31 December 2016 £'000
	Notes		
Turnover	4	1,156	934
Cost of sales		(760)	(540)
<b>Gross profit</b>		<b>396</b>	<b>394</b>
Other administrative costs		(3,024)	(1,805)
Exceptional costs	15	(2,017)	-
Impairment of assets	5	(2,241)	-
		<b>(7,282)</b>	<b>(1,805)</b>
<b>Operating loss</b>	6	<b>(6,886)</b>	<b>(1,411)</b>
Tax	9	1,039	254
<b>Loss for the period</b>		<b>(5,847)</b>	<b>(1,157)</b>

The Company has no other comprehensive income other than the loss above and therefore no separate statement of other comprehensive income is presented.

The above results were derived from continuing operations.

### Statement of changes in equity 52 weeks ended 30 December 2017

	Share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 16 July 2015	-	-	-
Loss for the period	-	(1,157)	(1,157)
Capital contribution received	-	1,100	1,100
Balance at 31 December 2016	-	(57)	(57)
	Share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 1 January 2017	-	(57)	(57)
Loss for the period	-	(5,847)	(5,847)
Balance at 30 December 2017	-	(5,904)	(5,904)

The accompanying notes are an integral part of these financial statements.

## BV Restaurant Group Limited

### Balance Sheet 52 weeks ended 30 December 2017

	Notes	30 December 2017 £'000	31 December 2016 £'000
<b>Fixed assets</b>			
Property, plant and equipment	10	-	2,485
Deferred tax asset	13	596	-
		<u>596</u>	<u>2,485</u>
<b>Current assets</b>			
Stock	11	15	12
Debtors: Amounts falling due within one year	12	531	1,603
Cash at bank and in hand		222	-
		<u>768</u>	<u>1,615</u>
<b>Total assets</b>		<u>1,364</u>	<u>4,100</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>(5,127)</u>	<u>(4,136)</u>
<b>Net current liabilities</b>		<u>(4,359)</u>	<u>(2,521)</u>
<b>Total assets less current liabilities</b>		<u>(3,763)</u>	<u>(36)</u>
Provisions	15	(2,141)	-
Deferred tax liability	13	-	(21)
<b>Net liabilities</b>		<u>(5,904)</u>	<u>(57)</u>
<b>Capital and reserves</b>			
Called up share capital	16	-	-
Profit and loss account		<u>(5,904)</u>	<u>(57)</u>
<b>Total shareholders' deficit</b>		<u>(5,904)</u>	<u>(57)</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements of BV Restaurant Group Limited, company number 09689333, were approved and authorised for issue by the Director on 18 January 2019.

A Gudmundsson  
Director

The accompanying notes are an integral part of these financial statements.

# **BV Restaurant Group Limited**

## **Notes to the financial statements 52 weeks ended 30 December 2017**

### **1. General information**

BV Restaurant Group Limited is a private company limited by share capital incorporated and registered in England and Wales. The address of the registered office is given on page 1.

*The principal activity of the Company is the operating of fast casual restaurants.*

### **2. Significant accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

#### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

As permitted under section 390 (3) of the Companies Act 2006, the Company has taken the option to end its financial period on the Saturday nearest to 31 December, as this is not more than 7 days after or before the end of the period dated 31 December.

The financial statements have been prepared on the historical cost basis and are presented in the currency of the economic environment in which the Company operates. For the purpose of the financial statements, the results and financial position are expressed in Pounds Sterling, which is the functional currency of the Company.

#### **Statement of disclosure exemptions**

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant the equivalent disclosures have been given in the Group accounts of Bakkavor Group plc. The group accounts of Bakkavor Group plc are available to the public and can be obtained as set out in the parent and ultimate parent undertaking note.

#### **Going concern**

The Director, in his detailed consideration of going concern, has reviewed the Company's future cash forecasts and revenue projections up to January 2020, which he believes are based on prudent market data and past experience. These forecasts indicate that the Company is expected to continue to be loss making for the foreseeable future and is reliant on parent company support via access to the Group's financing arrangements to make payments as they fall due. At the date of this report the Group has complied in all respects with the terms of its borrowing agreements, including its financial covenants, and forecasts to continue to do so and therefore adequate financing facilities are expected to be available to the Company.

The Group has issued a letter of support confirming that it will continue to support the Company for a period of at least 12 months from the date of approval of these financial statements. Consequently the Director considers that the Company has adequate resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements. For this reason, he continues to adopt the going concern basis in preparing the financial statements.

## **BV Restaurant Group Limited**

### **Notes to the financial statements (continued)**

**52 weeks ended 30 December 2017**

#### **2. Significant accounting policies (continued)**

##### **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Revenue is shown net of discounts, returns, VAT and other sales-related taxes.

The Company recognises revenue when:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow into the entity;

As a result, revenue for the sale of these goods is recognised upon the sale of goods to the customer. This is also the time that cash is received for the sale.

##### **Taxation**

The tax credit for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that an amount attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax credit is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the country where the Company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

##### **Property, plant and equipment**

Property, plant and equipment is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

Plant and machinery – 1 to 20 years

Fixtures and equipment – 3 to 5 years

Reviews of the estimated remaining useful lives of and residual values of individual productive assets are performed annually, taking account of commercial and technological obsolescence as well as normal wear and tear.

##### **Cash at bank and in hand**

Cash at bank and in hand comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **BV Restaurant Group Limited**

### **Notes to the financial statements (continued) 52 weeks ended 30 December 2017**

#### **2. Significant accounting policies (continued)**

##### **Changes in accounting policy**

##### **New standard, interpretations and amendments effective**

The following have been applied for the first time from 01 January 2017 and have had no effect on the financial statements:

IAS 7 – Disclosure Initiative

IAS 12 – Recognition of deferred tax assets for unrealised losses

##### **Trade debtors**

Trade debtors are amounts due from customers for goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debtors.

##### **Stock**

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

##### **Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the Director's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

##### **Leases**

Leases in which substantially all the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## **BV Restaurant Group Limited**

### **Notes to the financial statements (continued)** **52 weeks ended 30 December 2017**

#### **2. Significant accounting policies (continued)**

##### **Defined contribution pension obligations**

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and the Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as an employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

##### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the amount of the obligation cannot be measured reliably. A contingent liability is not recognised but it is disclosed in the notes to the financial statements. When an outflow becomes probable, it is recognised as a provision.

##### **Financial assets**

###### ***Classification***

Financial assets held by the Company are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

###### ***Recognition and measurement***

Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value.

###### ***Impairment***

Financial assets are assessed for indicators of impairment at each Balance sheet date and are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been affected.

##### **Financial liabilities**

###### ***Classification***

Financial liabilities held by the Company are classified as 'other financial liabilities'. The classification is according to the substance of the contractual arrangements entered into.

###### ***Recognition and measurement***

Financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

##### **Derivatives and hedging**

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives. The Company currently has no financial derivatives.

## BV Restaurant Group Limited

### Notes to the financial statements (continued) 52 weeks ended 30 December 2017

#### 3. Critical accounting judgements and key sources of estimation of uncertainty

The following are areas of particular significance to the Company's financial statements and include the application of judgement, which is fundamental to the compilation of the financial statements:

##### Key source of estimation uncertainty

The Company has three property leases, one of which expires in 2030 with the others expiring in 2031. As the Company has been loss making since incorporation, and this is expected to continue for the foreseeable future and in addition the Company closed its Wandsworth site in February 2018, the leases are considered to be onerous and a provision of £2,017,000 has been included in the financial statements at 30 December 2017. The provision has been calculated as the discounted total expected costs for occupying the property (including rent, rates and service charges) through to December 2021 on the basis that the Director believes that the Company will not be loss making by that time.

The period over which the Company is expected to become profitable is subjective. If the period was either shorter or longer then the provision would decrease or increase by approximately £500,000 per annum on an undiscounted basis.

A dilapidations provision has also been included for the three properties which is the best estimate of the cost to restore the properties to their original condition.

There are no critical accounting judgements applied in the compilation of these financial statements.

#### 4. Turnover

All turnover is from sales made in the UK to restaurant customers.

#### 5. Impairment of assets

Following the decision to close the restaurant at Wandsworth the carrying value of the Property, Plant and Equipment at that store has been fully impaired and a charge of £751,000 has been made to the Profit and Loss account. The store was closed in February 2018.

In addition, the carrying value of the Property, Plant and Equipment at the other two restaurants has been fully impaired. The impairments were determined by comparing the carrying values of the assets with their recoverable amount i.e. the higher of the asset's fair value less costs of disposal and its value in use. The charge of £1,490,000 has been made to the Profit and Loss account.

#### 6. Loss for the period

Loss for the period has been arrived at after charging:

	Period ended 30 December 2017 £'000	Period ended 31 December 2016 £'000
Depreciation of owned property, plant and equipment	542	268
Impairment of property, plant and equipment	2,241	-
Operating lease costs	395	162
Cost of stock recognised as an expense	334	220
Staff costs (see note 7)	1,144	650
Exceptional costs – onerous leases (see note 15)	2,017	-



## BV Restaurant Group Limited

### Notes to the financial statements (continued) 52 weeks ended 30 December 2017

#### 6. Loss for the period (continued)

Fees of £5,000 payable to the Company's auditor in respect of the statutory audit of the Company's financial statements for the period ended 30 December 2017 (2016: £5,000) have been borne by Bakkavor Foods Limited.

No non-audit fees were charged to the Company for the period ended 30 December 2017 (2016: £nil).

#### 7. Staff costs

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

	Period ended 30 December 2017 No.	Period ended 31 December 2016 No.
Management and administration	13	2
Sales	44	32
	<hr/> 57	<hr/> 34

Their aggregate remuneration comprised:

	Period ended 30 December 2017 £'000	Period ended 31 December 2016 £'000
Wages and salaries	1,115	572
Social security costs	22	69
Other pension costs (see note 20)	7	9
	<hr/> 1,144	<hr/> 650

#### 8. Director's remuneration

The Director received no emoluments for his services to the Company in the financial period presented and was paid through Bakkavor Foods Limited. The Director is considered to be the key management personnel of the Company.

## BV Restaurant Group Limited

### Notes to the financial statements (continued) 52 weeks ended 30 December 2017

#### 9. Taxation

	Period ended 30 December 2017 £'000	Period ended 31 December 2016 £'000
Total current tax – group relief credit	(422)	(275)
Deferred tax (credit)/charge – current year	(613)	21
Deferred tax credit – prior period	(4)	-
Total tax credit	(1,039)	(254)

Corporation tax is calculated at 19.25% (2016: 20%) of the estimated assessable loss for the period. The credit for the period can be reconciled to the loss per the profit and loss account as follows:

	Period ended 30 December 2017		Period ended 31 December 2016	
	£'000	%	£'000	%
Loss on ordinary activities before tax	(6,886)	(100.0)	(1,411)	(100.0)
Tax at the UK corporation tax rate	(1,325)	(19.3)	(282)	(20.0)
Expenses not deductible	209	3.0	32	2.3
Deferred tax change in rate	81	1.2	(4)	(0.3)
Deferred tax prior period adjustment	(4)	-	-	-
Tax credit and effective tax rate for the period	(1,039)	(15.1)	(254)	(18.0)

The UK Corporation tax rate reduced from 20% to 19% from 1 April 2017. In accordance with the Finance Act 2016, the UK corporation tax rate will reduce to 17% in 2020.

Deferred tax has been calculated at 17% which is the tax rate applicable for the period in which the temporary differences are expected to reverse.

## BV Restaurant Group Limited

### Notes to the financial statements (continued) 52 weeks ended 30 December 2017

#### 10. Property, plant and equipment

	Plant and machinery £'000	Fixtures and equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2017	231	2,522	2,753
Additions	-	298	298
Reclassification	(111)	111	-
At 30 December 2017	120	2,931	3,051
<b>Accumulated depreciation</b>			
At 1 January 2017	(8)	(260)	(268)
Charge for the period	(10)	(532)	(542)
Impairment	(102)	(2,139)	(2,241)
At 30 December 2017	(120)	(2,931)	(3,051)
<b>Carrying amount</b>			
At 30 December 2017	-	-	-
At 31 December 2016	223	2,262	2,485

At 30 December 2017, the Company had not entered into any contractual commitments for the acquisition of property, plant and equipment (2016: £Nil).

#### 11. Stock

	30 December 2017 £'000	31 December 2016 £'000
Raw materials and packaging	15	12
	15	12

#### 12. Debtors: Amounts falling due within one year

	30 December 2017 £'000	31 December 2016 £'000
Amounts owed by other group companies	-	131
Group loss relief	422	1,375
Other debtors	3	95
Prepayments	106	2
	531	1,603

The amounts disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

## BV Restaurant Group Limited

### Notes to the financial statements (continued) 52 weeks ended 30 December 2017

#### 13. Deferred tax asset/(liability)

The following are the major deferred tax provisions recognised by the Company and movements thereon during the current period.

	Accelerated tax depreciation £'000
At 1 January 2017	(21)
Credit to income	617
At 30 December 2017	596

The deferred tax asset is considered recoverable as the Company's tax losses will be surrendered as group relief to other UK Group Companies.

#### 14. Creditors: Amounts falling due within one year

	30 December 2017 £'000	31 December 2016 £'000
Bank overdraft	-	2,249
Trade creditors	68	423
Amounts owed to other group companies	4,396	824
Accruals	663	640
	5,127	4,136

#### 15. Other provisions

	Onerous contracts and dilapidations £'000
At 1 January 2017	-
Provisions booked in the current period	2,141
At 30 December 2017	2,141

The Company has three property leases, one of which expires in 2030 with the others expiring in 2031. As the Company has been loss making since incorporation, and this is expected to continue for the foreseeable future and in addition the Company closed its Wandsworth site in February 2018, the leases are considered to be onerous and a provision of £2,017,000 has been included in the financial statements at 30 December 2017. The provision has been calculated as the discounted total expected costs for occupying the property (including rent, rates and service charges) through to December 2021 on the basis that the Director believes that the Company will not be loss making by that time.

The remaining £124,000 is for a dilapidation provision for the three property leases.

## BV Restaurant Group Limited

### Notes to the financial statements (continued) 52 weeks ended 30 December 2017

#### 16. Share capital and reserves

	30 December 2017 £	31 December 2016 £
<b>Share capital</b>		
Issued and fully paid:		
Ordinary shares of £1 each	1	1
	<hr/> 1	<hr/> 1

1 ordinary share of £1 was issued on incorporation at par.

#### **Profit and Loss Account**

The profit and loss account represents the accumulated distributable reserves / (deficit) of the Company.

#### 17. Capital contribution

In 2016, a capital contribution of £1,100,000 was recognised in the profit and loss reserve. The amount was received from another group company in exchange for utilisation of loss relief for tax losses in the period. In 2017 tax losses transferred have been limited to the rate of taxation and therefore the full amount is netted off against the tax credit in the profit and loss account.

#### 18. Contingent liabilities

The Company may from time to time, and in the normal course of business, be subject to claims from customers and counterparties. The Company reviews any claims to determine if there is any potential financial loss to the Company. As at 30 December 2017, there were no legal claims or potential claims against the Company (2016: £nil) and therefore no provision is considered necessary in the financial statements.

#### 19. Operating lease arrangements

##### **The Company as lessee**

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	30 December 2017 £'000	31 December 2016 £'000
Within one year	395	395
Within two to five years	1,580	1,580
In over five years	3,430	3,825
	<hr/> 5,405	<hr/> 5,800

The Company leases restaurant premises under non-cancellable operating lease arrangements. The leases have various terms, escalation clauses and renewal rights.

The amount of non-cancellable lease payments recognised as an expense during the period was £395,000 (2016: £162,000).

## **BV Restaurant Group Limited**

### **Notes to the financial statements (continued) 52 weeks ended 30 December 2017**

#### **20. Retirement benefit schemes**

##### **Defined contribution scheme**

The Company participates in the Bakkavor Group's defined contribution scheme. The assets of the pension scheme are held separately from those of the Company. The total cost charged to income of £7,000 (2016: £9,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. The Company has paid this by way of a recharge from another group company. At 30 December 2017, no amounts were outstanding for the defined contribution scheme.

#### **21. Events after the balance sheet date**

In February 2018, the restaurant at Wandsworth was closed.

#### **22. Parent and ultimate parent undertaking**

The immediate parent of the Company is Bakkavor Foods Limited.

The Company's ultimate parent company and ultimate controlling party is Bakkavor Group plc, a company registered in the United Kingdom. The largest group in which the results of the Company are consolidated is that headed by Bakkavor Group plc and it has included the Company in its group financial statements. The smallest group into which the accounts are consolidated is Bakkavor Finance (2) plc.

Copies of both the Bakkavor Group plc and Bakkavor Finance (2) plc financial statements are available from Fitzroy Place 5<sup>th</sup> Floor, 8 Mortimer Street, London, W1T 3JJ, United Kingdom.