

Registered number: 09950317

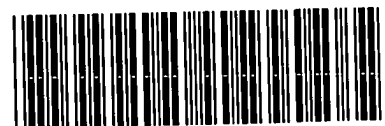
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**CINNAMON COLLECTION LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE 52 WEEK PERIOD ENDED 3 JANUARY 2021**

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**CINNAMON COLLECTION LIMITED**

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**COMPANY INFORMATION**

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|----------------------------|--|
| <b>Directors</b>           | V Singh<br>T J Curle<br>S S Leihal (appointed 4 February 2020)   |
| <b>Registered number</b>   | 09950317   |
| <b>Registered office</b>   | Colmore Court<br>9 Colmore Row<br>Birmingham<br>West Midlands<br>B3 2BJ  |
| <b>Independent auditor</b> | Grant Thornton UK LLP<br>Chartered Accountants & Statutory Auditor<br>No 1 Whitehall Riverside<br>Leeds<br>West Yorkshire<br>LS1 4BN |

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**CINNAMON COLLECTION LIMITED**

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**CINNAMON COLLECTION LIMITED**

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**STRATEGIC REPORT  
FOR THE PERIOD ENDED 3 JANUARY 2021**

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**Introduction**

The directors present their strategic report on the affairs of the Company, together with the audited financial statements for the 53 week period ended 3 January 2021.

**Business review**

Cinnamon Collection Limited consists of four restaurants in London. These are Cinnamon Club in Westminster, two Cinnamon Kitchens (City of London and Battersea Power Station), and Cinnamon Bazaar in Covent Garden. Even in its 19th year of trading, Cinnamon Club continues to lead the way for Indian restaurants in London, garnering significant media activity and acclaim, and is widely viewed as a London "Institution". The other restaurants in the Collection operate with the same ethos of growing through excellence in hospitality and product at different price points aimed at different audiences.

Cinnamon Collection's in house training programmes continue to train apprentices, chefs and managers for the business and create opportunities for growth. In spite of a challenging labour market, Cinnamon Collection continues to achieve good team retention.

2020 has been a challenging year due to the repercussions of Covid-19 pandemic and the periods of lockdown that closed our restaurants for long periods of the year. Whilst the business innovated with the introduction of delivery and meal kits, the revenue of the Company has been significantly impacted. In the period to 3 January 2021, the Company generated revenue of £4,185,851 (period ended 29 December 2019: £11,096,187). On a like for like basis, sales decreased by 62%.

During 2020, the directors made the decision to close Cinnamon Kitchen (Oxford).

In the period to 3 January 2021, the Company made an operating loss of £2,891,991 (period ended 29 December 2019: £1,211,333). The Company incurred preference share interest costs of £Nil (period ended 29 December 2019: £1,044,097) as disclosed in note 10.

The directors have concluded that these results are in line with their expectation.

The balance sheet as at the period end shows net liabilities of £10,883,908 (29 December 2019: £7,991,917). The balance sheet includes goodwill of £4,393,595 (29 December 2019: £4,681,753) in relation to the acquisition of the Cinnamon restaurants in 2016. The acquisition of the Cinnamon business was financed through the issue of preference shares as disclosed in note 19 to the financial statements.

On the 25 November 2020 Amber REI Holdings Limited waived its entitlement to a dividend or any other distribution payable in respect of the preference shares it holds in the Company. This was effective from 1 January 2020. On the 18 January 2021 the Articles of Association were amended so that the preference shares carried no right to a dividend or any other distribution payable. As a result, the preference shares will be reclassified to equity as at that date.

**Principal risks and uncertainties**

The directors believe that the main risk to the company continues to be the impact of uncertainty due to Brexit and staff and skills shortage in the sector. The directors believe that the unique dining experience of the Cinnamon Collection and the continued significant PR generated by Executive Chef, Vivek Singh, combined with an active marketing presence in London, will help mitigate these challenges.

The business is exposed to food and drink price inflation, which is mitigated through close relationships with suppliers.

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**CINNAMON COLLECTION LIMITED**


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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 3 JANUARY 2021**


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**Principal risks and uncertainties (continued)**

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact on the business. Monitoring exposure to risk and uncertainty is an integral part of the company's management processes.

The principal risks and uncertainties of the Company are:

Property costs (including Business Rates) and energy prices  
 Regulatory and Legislative Impact (Health & Safety)  
 Recruitment and retention of good quality staff  
 Economic uncertainty (external influences Brexit)

Management meet on a regular basis to discuss the risks noted above and implement procedures to mitigate the risk as appropriate.

**Financial key performance indicators**

The Company uses a range of performance measures to monitor and manage the business effectively. These are both financial and nonfinancial and the most significant of these are the key performance indicators (KPIs).

The key financial performance indicators are presented in the table below. As well as financial indicators the Company's key nonfinancial performance indicators are the average number of staff employed by the Company, customer measures and health & safety at work.

|                             | <b>53 weeks ended<br/>3 January 2021</b> | <b>52 weeks ended<br/>29 December 2019</b> |
|-----------------------------|--|--|
| Turnover (£)                | <b>4,185,851</b>                         | 11,096,187                                 |
| Gross profit (£)            | <b>3,279,469</b>                         | 8,745,611                                  |
| Average number of employees | <b>95</b>                                | 144  |

The Company made a loss before tax after interest of £2,891,991 (period ended 29 December 2019: £2,255,430).

The directors have concluded that the KPIs set out above are in line with their expectation for the business.

**Future developments**

The existing business and future growth are funded from free cash flow and the continued financial support of its owner and he has committed to provide sufficient liquidity and capital expenditure where needed. The business continues to commit in investing in its core assets its people, property and product, through excellence and innovation to ensure customers receive the very best experience delivered with quality and provenance.

Once there is clarity post Brexit and the new openings have settled down, Cinnamon Collection will look to expand at a sustainable rate, with restaurants suitable for the environment continuing in its ethos of evolution, innovation and creativity.

Consideration of the impact of Covid 19 has been included in the Director's Report.

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**CINNAMON COLLECTION LIMITED**


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**STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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**Statement by the directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006**

The directors confirm that during the period under review, it has acted fairly between members of the Company to promote the long term success of the Company for the benefit of all shareholders, whilst having regard to the matters set out in section 172(1)(a)-(f) of the Companies Act 2006 in the decisions taken during the period ended 3 January 2021, further detail of which is set out below.

| Why we engage  | How we engage   | What matters most to our stakeholders   | How we respond  | COVID – 19 specific considerations  |
|--|---|---|---|---|
| <b>Our people</b><br>We wish to continue to be a responsible employer, both in terms of continuing to ensure the health, safety and wellbeing of our people and also ensuring we maintain a responsible approach to the pay and benefits our people receive.<br><br>We want employees to have pride in what they do and, in the Company. | We get to know our team members and give them the opportunity to have a voice, have meetings and an opportunity for feedback.<br><br>There are training and development programmes, internal communications and a regular appraisal and review process. | Employee safety and wellbeing, diversity and inclusion, career and personal development, fair pay, clarity of direction, mutual respect and enjoyment at work.  | Communication newsletters and/or noticeboards, information videos for our colleagues, regular appraisals and feedback.    | There are social distancing measures, with training, support and advice on working safely. PPE is provided and there are regular COVID-19 briefings.  |
| <b>Our customers</b><br>Our purpose is to deliver high quality service to all of our customers, who are at the heart of everything we do.  | We work closely with our customers to let them know our product range, capabilities, NPD, and that we can meet their requirements to maintain continuity of supply.<br><br>All of our initiatives focus on clear communication.                         | Our customers want products supplied at the right price, level of service and on time delivery, with consistency of supply and technical compliance.<br><br>It is important that we hold full accreditations to all certified bodies. | We are always there for our customers.<br><br>We track all social statistics, complaints and feedback from our customers. | We have prioritised customer safety throughout the COVID-19 pandemic.<br><br>We follow government guidelines in all processes.<br><br>We ensure that we have staff and supplier PPE in place, there is appropriate staff training and a full risk assessment process. |

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**CINNAMON COLLECTION LIMITED**


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**STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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**Statement by the directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006 (continued)**

| <b>Why we engage</b>   | <b>How we engage</b>   | <b>What matters most to our stakeholders</b>   | <b>How we respond</b>  | <b>COVID – 19 specific considerations</b>   |
|--|--|--|--|---|
| <b>Our suppliers</b>   |  |  |  |   |
| We let suppliers know both our requirements and the standards expected, so that they meet our expectations.<br><br>Without supplier partnerships we cannot guarantee high quality products to sell to our customers. | Our purchasing teams work directly with supplier sales contacts, supply timely purchase orders, and provide regular forecasts on requirements.<br><br>There is constant, ongoing communication with suppliers. | Healthy sustainable supply relationship, credit worthiness, financial stability to meet our commitments and adherence to both anti-bribery and anti-modern slavery laws. | We work closely to provide feedback on delivery performance and quality of product/service.<br><br>Suppliers are benchmarked and there is a regular tendering process. | We communicate fully any variation in supply, including any peaks or reduced demand.<br><br>We ensure suppliers have appropriate PPE on site and are able to deliver products safely to our restaurants.    |
| <b>Trade bodies</b>  |  |  |  |   |
| It is particularly important to our customers that we achieve and maintain the required standards in order to obtain the necessary accreditations that our customers require.  | We retain active membership of all necessary trade bodies. There are regular meetings, audits & inspections, site visits and contact with the accrediting bodies.  | Maintain relationship with all regulatory bodies and demonstrate food safety and compliance to all trade bodies.   | Maintain standards required by all food authority bodies.<br><br>The senior leadership team sit on steering meetings and actively engage in all initiatives.           | We demonstrate that we follow government guidelines in all processes and maintain a safe working environment.<br><br>We also follow best proactive initiatives, such as the AA Covid Secure accreditations. |
| <b>Our communities and the environment</b>   |  |  |  |   |
| We take our responsibilities to the local community seriously.<br><br>We acknowledge the responsibility we have to protect the environment and to minimise the environmental impact of our activities.               | Our restaurants have regular meetings with local neighbourhood groups as well as engage in local charity initiatives.  | That we are a responsible employer that respects our neighbours, local community and the wider environment.  | We have regular meetings with local neighbourhood groups and maintain relationships with local council officers.   | Act responsibly by following government guidelines in all activities and maintain a safe working environment.   |

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**CINNAMON COLLECTION LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 3 JANUARY 2021**

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This report was approved by the board on 9/6/2022 and signed on its behalf.

*Satnam Leihal*

**S S Leihal  
Director**



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**CINNAMON COLLECTION LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 3 JANUARY 2021**

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The directors present their report and the financial statements for the period ended 3 January 2021.

**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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 judgements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

**Principal activity**

The principal activity of the Company is that of restaurant operations.

**Results and dividends**

The loss for the period, after taxation, amounted to £2,891,991 (*period ended 29 December 2019 - loss £ 2,255,430*).

No dividends were declared in the period (*period ended 29 December 2019: £Nil*).

**Greenhouse gas emissions, energy consumption and energy efficiency action**

The company does not report under the Streamlined Energy and Carbon Reporting regulations as its energy and carbon data are reported in the consolidated group accounts.

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**CINNAMON COLLECTION LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 3 JANUARY 2021**

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**Directors**

The directors who served during the period and subsequent to the period end were:

V Singh  
L P McIlwee (resigned 20 April 2020)  
T J Curle  
S S Leihal (appointed 4 February 2020)

**Employee involvement**

The Company recognises that its principal asset is its employees and their commitment to the Company's service, standards and customers. The Company's personnel policies ensure that all employees are made aware on a regular basis of the Company's policies, programmes and progress. Communication methods to employees vary according to need and will include but are not limited by, function updates, email bulletins, business briefings, podcasts, intranet, extranet, internal newsletters, direct correspondence (where appropriate), information and consultation forum, team meetings and management briefings.

**Disabled employees**

The Company offers equal opportunities to employees and applicants regardless of race, creed, sex, ethnic origin, age or disability. Disabled persons are considered for employment where they have appropriate skills and abilities to perform a job. Employees who become disabled during their lives will be retained in employment whenever possible and will be given help with any necessary rehabilitation and retraining.

**Qualifying third party indemnity provisions**

All directors benefitted from qualifying indemnity insurance policies in place during the financial year.

**Disclosure of information to auditor**

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

- so far as is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- 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 auditor is aware of that information.

**Going concern**

The directors have prepared forecasts for the company taking into account the continuing impact of Covid-19 on the business and concluded that it is appropriate to prepare these financial statements on a going concern basis. In arriving at this conclusion, the directors have obtained confirmation from Invest Co 1 Limited, the ultimate controlling party at the date of signing these financial statements, who has confirmed that it will continue to provide financial support to the Company for a period of at least the next twelve months after the date of signing the financial statements.

**Post balance sheet events**

On the 18 January 2021 the Articles of Association were amended so that the preference shares carried no right to a dividend or any other distribution payable. As a result, the preference shares will be reclassified to equity as at that date. The amendment made to the preference shares was done after the current reporting period and does not provide evidence of conditions that existed at the end of the reporting period, therefore is not an adjusting event as defined by FRS 102 Section 32.

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**CINNAMON COLLECTION LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 3 JANUARY 2021**

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**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 9/6/2022 and signed on its behalf.

*Satnam Leihal*

**S S Leihal  
Director**



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CINNAMON COLLECTION LIMITED

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### Opinion

We have audited the financial statements of Cinnamon Collection Limited (the 'Company') for the 53 week period ended 3 January 2021, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 3 January 2021 and of its loss for the 53 week 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 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CINNAMON COLLECTION LIMITED  
(CONTINUED)**

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**Conclusions relating to going concern (continued)**

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our 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 Strategic report and the Directors' report for the financial 53 week 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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CINNAMON COLLECTION LIMITED  
(CONTINUED)**

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**Matter on which we are required to report under the Companies Act 2006**

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.

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

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 for the financial statements**

As explained more fully in the Directors' responsibilities statement on page 6, 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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CINNAMON COLLECTION LIMITED  
(CONTINUED)**

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**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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations, where the consequence of non-compliance could reasonably be expected to have a material effect on the financial statements, from our general commercial and sector experience and through discussions with the company's management. We corroborated the results of our enquiries with those charged with governance and to supporting documentation such as our legal and professional expenses review.
- We determined that the laws and regulations most directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 'The Financial Reporting Standard applicable in the UK and Ireland', the Companies Act 2006) and relevant tax legislation in the UK.
- In addition, we concluded that there are certain significant laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material impact if non-compliance were to occur; health and safety regulations and employment law.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by making enquiries of management and those charged with governance, and updating our understanding of the company's operations, financial reporting obligations and control environment, including around compliance with laws and regulations. We considered the risk of fraud to be higher through the potential for management override of controls.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CINNAMON COLLECTION LIMITED  
(CONTINUED)**

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**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)**

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud, particularly around journal processing;
  - Journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business;
  - Challenging assumptions and judgements made by management relating to its areas of significant estimation and judgement;
  - Reviewing legal and professional expenditure in the year to assess for any indicators of non-compliance with relevant laws and regulations;
  - Completion of audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
  - Identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - knowledge of the industry in which the company operates and understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
  - understanding of the legal and regulatory requirements specific to the company.

All team members are qualified accountants or working towards that qualification and are considered to have sufficient knowledge and experience of companies of a similar size and complexity, appropriate to their role within the team.



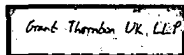


**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CINNAMON COLLECTION LIMITED  
(CONTINUED)**

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**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.



Richard Woodward  
Senior statutory auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Leeds  
Date: 9/6/2022

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**CINNAMON COLLECTION LIMITED**


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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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|                                       |             | <b>53 weeks<br/>ended<br/>3 January<br/>2021</b> | <i>As restated<br/>52 weeks<br/>ended<br/>29<br/>December<br/>2019</i> |
|---------------------------------------|-------------|--|--|
|                                       | <b>Note</b> | <b>£</b>   | <b>£</b>   |
| Turnover                              | 4           | 4,185,851  | 11,096,187   |
| Cost of sales                         |             | (906,382)  | (2,350,576)  |
| <b>Gross profit</b>                   |             | <b>3,279,469</b>                                 | <b>8,745,611</b>   |
| Administrative expenses               |             | (7,345,849)                                      | (9,956,944)  |
| Other operating income                | 5           | 1,174,389  | -  |
| <b>Operating loss</b>                 | 6           | <b>(2,891,991)</b>                               | <b>(1,211,333)</b>   |
| Interest payable and similar expenses | 10          | -  | (1,044,097)  |
| <b>Loss before tax</b>                |             | <b>(2,891,991)</b>                               | <b>(2,255,430)</b>   |
| <b>Loss for the financial period</b>  |             | <b>(2,891,991)</b>                               | <b>(2,255,430)</b>   |

There were no recognised gains and losses for the current or prior period other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2019:£NIL).

The notes on pages 19 to 39 form part of these financial statements.

**CINNAMON COLLECTION LIMITED**  
**REGISTERED NUMBER:09950317**

**BALANCE SHEET**  
**AS AT 3 JANUARY 2021**

|   |             | <b>3 January<br/>2021<br/>£</b> | <i>As restated<br/>29<br/>December<br/>2019<br/>£</i> |
|---|-------------|---------------------------------|---|
| <b>Fixed assets</b>                                     | <b>Note</b> |                                 |   |
| Intangible assets                                       | 12          | <b>4,393,595</b>                | 4,681,753   |
| Tangible assets   | 13          | <b>2,458,422</b>                | 3,457,455   |
| Investments   | 14          | <b>3,593,125</b>                | 3,593,125   |
|   |             | <b>10,445,142</b>               | 11,732,333  |
| <b>Current assets</b>                                   |             |                                 |   |
| Stocks  | 15          | <b>135,083</b>                  | 218,780   |
| Debtors: amounts falling due after more than one year   | 16          | <b>245,400</b>                  | 299,850   |
| Debtors: amounts falling due within one year            | 16          | <b>278,227</b>                  | 534,732   |
| Cash at bank and in hand                                | 17          | <b>505,283</b>                  | 559,456   |
|   |             | <b>1,163,993</b>                | 1,612,818   |
| Creditors: amounts falling due within one year          | 18          | <b>(14,047,003)</b>             | (13,254,921)  |
| <b>Net current liabilities</b>                          |             | <b>(12,883,010)</b>             | (11,642,103)  |
| <b>Total assets less current liabilities</b>            |             | <b>(2,437,868)</b>              | 90,230  |
| Creditors: amounts falling due after more than one year | 19          | <b>(8,082,147)</b>              | (8,082,147)   |
| <b>Provisions for liabilities</b>                       |             |                                 |   |
| Other provisions  | 22          | <b>(363,893)</b>                | -   |
|   |             | <b>(363,893)</b>                | -   |
| <b>Net liabilities</b>                                  |             | <b>(10,883,908)</b>             | (7,991,917)   |

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**CINNAMON COLLECTION LIMITED**  
**REGISTERED NUMBER:09950317**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 3 JANUARY 2021**

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|                             | Note | 3 January<br>2021<br>£ | <i>As restated</i><br>29 December<br>2019<br>£ |
|-----------------------------|------|------------------------|--|
| <b>Capital and reserves</b> |      |                        |  |
| Called up share capital     | 23   | 1,000                  | 1,000  |
| Profit and loss account     | 24   | (10,884,908)           | (7,992,917)                                    |
|                             |      | <u>(10,883,908)</u>    | <u>(7,991,917)</u>                             |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9/6/2022

*Satnam Leihal*

**S S Leihal**  
Director

The notes on pages 19 to 39 form part of these financial statements.

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**CINNAMON COLLECTION LIMITED**


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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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|  | Called up<br>share capital | Profit and<br>loss account | Total equity |
|--|----------------------------|----------------------------|--------------|
|  | £                          | £                          | £            |
| At 30 December 2019 (as previously stated)       | 1,000                      | (7,508,251)                | (7,507,251)  |
| Prior year adjustment (see note 25)              | -                          | (484,666)                  | (484,666)    |
| At 30 December 2019 (as restated)                | 1,000                      | (7,992,917)                | (7,991,917)  |
| <b>Comprehensive income for the period</b>       |                            |                            |              |
| Loss for the period                              | -                          | (2,891,991)                | (2,891,991)  |
| <b>Total comprehensive income for the period</b> | -                          | (2,891,991)                | (2,891,991)  |
| <b>At 3 January 2021</b>                         | 1,000                      | (10,884,908)               | (10,883,908) |

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 29 DECEMBER 2019**


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|  | Called up<br>share capital | Profit and<br>loss account | Total equity |
|--|----------------------------|----------------------------|--------------|
|  | £                          | £                          | £            |
| At 30 December 2018 (as previously stated)       | 1,000                      | (5,513,429)                | (5,512,429)  |
| Prior year adjustment (see note 25)              | -                          | (224,058)                  | (224,058)    |
| At 30 December 2018 (as restated)                | 1,000                      | (5,737,487)                | (5,736,487)  |
| <b>Comprehensive income for the period</b>       |                            |                            |              |
| Loss for the period (restated: see note 25)      | -                          | (2,255,430)                | (2,255,430)  |
| <b>Total comprehensive income for the period</b> | -                          | (2,255,430)                | (2,255,430)  |
| <b>At 29 December 2019</b>                       | 1,000                      | (7,992,917)                | (7,991,917)  |

The notes on pages 19 to 39 form part of these financial statements.

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**CINNAMON COLLECTION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**

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**1. General information**

Cinnamon Collection Limited is a private limited company incorporated in England and Wales. The Registered Office is Colmore Court, 9 Colmore Row, Birmingham, West Midlands, B3 2BJ. The entity's principal activities and nature of operations are disclosed in the Directors' Report.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The financial statements are made up to the Sunday nearest to the period end for each financial period.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies (see note 3).

The financial statements are presented in Sterling (£).

The Company has taken advantage of the following exemptions on the basis that it is a qualifying entity and its ultimate parent company, Invest Co 1 Limited, has included this information:

- a) from preparing a statement of cash flows and analysis of net debt disclosure required under FRS 102 paragraph 7.22;
- b) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29;
- c) from disclosing the Company key management personnel compensation, as required by FRS102 paragraph 33.7.

The following principal accounting policies have been applied:

**2.2 Going concern**

The directors have prepared forecasts for the company taking into account the continuing impact of Covid-19 on the business and concluded that it is appropriate to prepare these financial statements on a going concern basis. In arriving at this conclusion, the directors have obtained confirmation from Invest Co 1 Limited, the ultimate controlling party at the date of signing these financial statements, who has confirmed that it will continue to provide financial support to the Company for a period of at least the next twelve months after the date of signing the financial statements.

**2.3 Turnover**

Turnover represents amounts receivable for goods and services provided in our restaurants.

Turnover generated in our own restaurants is recognised at the point of sale net of taxes.

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**CINNAMON COLLECTION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**

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**2. Accounting policies (continued)**

**2.4 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life of 20 years.

**2.5 Tangible fixed assets**

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

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

|                               |  |
|-------------------------------|--|
| Short-term leasehold property | - straight line over the length of the lease |
| Fixtures and fittings         | - 33% reducing balance                       |
| Office equipment              | - 33% reducing balance                       |

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 profit or loss.

**2.6 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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**CINNAMON COLLECTION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**

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**2. Accounting policies (continued)**

**2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of Invest Co 1 Limited, which prepares consolidated accounts which are publicly available

**2.8 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. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

**2.9 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.

**2.10 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.



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**CINNAMON COLLECTION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**

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**2. Accounting policies (continued)**

**2.11 Financial instruments**

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.12 Creditors**

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

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Equity instruments issued by the Company, including preference shares, are recorded at the fair value of the cash received or other resources received, net of direct issue costs.

**Derecognition of financial liabilities**

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

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**CINNAMON COLLECTION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**

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**2. Accounting policies (continued)**

**2.13 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

**2.14 Finance costs**

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

**2.15 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at the annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses are classified within interest payable.

**2.16 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

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

**2.17 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.18 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

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**CINNAMON COLLECTION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**

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**2. Accounting policies (continued)**

**2.19 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

**Onerous lease provision**

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

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

In applying the Company's accounting policies set out above management is required to make certain estimates and judgements concerning the future. These judgements are regularly reviewed and updated as necessary.

In preparing these financial statements, the directors have had to make the following judgements:

Determine whether there are any indicators of impairment of the Company's fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit. When an impairment review is carried out, the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows or assessment of the fair value less costs to sell, which is then discounted using an appropriate rate. This involves significant judgement to derive the valuation. The company undergoes an annual budget process that is used to form the basis of the future performance of the cash-generating units. These figures are then adjusted based on expected future performance. The impairment calculations are sensitive to changes in the future sales made by the units.

Other key sources of estimation uncertainty:

**a) Deferred tax asset**

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. The directors review the forecasts of the business to assess the recoverability of these assets. The recognition of the asset includes significant judgement as the reversal of the asset depends on forecasts.

**b) Dilapidation provision**

Provisions are made based on the estimated costs necessary to restore properties to their condition at lease inception discounted to present value. The calculation of the provision includes significant judgement as the ultimate cost is dependent on the condition of the property at the time of exit. No provision is deemed to be required at the period end based on the directors assessment of the companies obligations under the property leases.

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**CINNAMON COLLECTION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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**4. Turnover**

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

|               | <b>53 weeks<br/>ended<br/>3 January<br/>2021<br/>£</b> | <b>52 weeks<br/>ended<br/>29<br/>December<br/>2019<br/>£</b> |
|---------------|--|--|
| Sale of goods | <b>4,185,851</b>                                       | <b>11,096,187</b>  |
|               | <b><u>4,185,851</u></b>                                | <b><u>11,096,187</u></b>                                     |

All turnover arose within the United Kingdom.

**5. Other operating income**

|                              | <b>53 weeks<br/>ended<br/>3 January<br/>2021<br/>£</b> | <b>52 weeks<br/>ended<br/>29<br/>December<br/>2019<br/>£</b> |
|------------------------------|--|--|
| Government grants receivable | <b>1,174,389</b>                                       | <b>-</b>   |
|                              | <b><u>1,174,389</u></b>                                | <b><u>-</u></b>  |

Grants relate to COVID-19 support measures made available by the UK government. These schemes have been utilised to compensate for staff costs and amounts received have been recognised in the income statement in the same period as the costs to which they relate.

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**CINNAMON COLLECTION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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**6. Operating loss**

The operating loss is stated after charging:

|   | <b>53 weeks<br/>ended<br/>3 January<br/>2021<br/>£</b> | <b>52 weeks<br/>ended<br/>29<br/>December<br/>2019<br/>£</b> |
|---|--|--|
| Depreciation of tangible fixed assets                 | <b>753,071</b>   | <b>743,452</b>   |
| Amortisation of intangible assets, including goodwill | <b>288,158</b>   | <b>288,158</b>   |
| Other operating lease rentals                         | <b>1,272,357</b>                                       | <b>1,087,175</b>   |
| Stock recognised in cost of sales as an expense       | <b>902,260</b>   | <b>2,350,576</b>   |
| Onerous lease provision charge                        | <b>363,893</b>   | <b>-</b>   |
|   | <b><u>3,577,739</u></b>                                | <b><u>4,469,361</u></b>                                      |

**7. Auditor's remuneration**

|   | <b>53 weeks<br/>ended<br/>3 January<br/>2021<br/>£</b> | <b>52 weeks<br/>ended<br/>29<br/>December<br/>2019<br/>£</b> |
|---|--|--|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | <b>25,094</b>  | <b>14,500</b>  |
|   | <b><u>25,094</u></b>                                   | <b><u>14,500</u></b>   |

Fees paid to the company's auditor, Grant Thornton UK LLP, other than the statutory audit of the company are not disclosed in the company's financial statements since the consolidated accounts of the company's parent, Invest Co 1 Limited, are required to disclose non-audit fees on a consolidated basis.

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**CINNAMON COLLECTION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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**8. Employees**

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

|                                     | <b>53 weeks<br/>ended<br/>3 January<br/>2021<br/>£</b> | <b>52 weeks<br/>ended<br/>29<br/>December<br/>2019<br/>£</b> |
|-------------------------------------|--|--|
| Wages and salaries                  | <b>2,617,708</b>                                       | <b>3,214,477</b>   |
| Social security costs               | <b>223,391</b>   | <b>321,226</b>   |
| Cost of defined contribution scheme | <b>104,428</b>   | <b>56,849</b>  |
|                                     | <b><u>2,945,527</u></b>                                | <b><u>3,592,552</u></b>                                      |

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

|                               | <b>53 weeks<br/>ended<br/>3<br/>January<br/>2021<br/>No.</b> | <b>52 weeks<br/>ended<br/>29<br/>December<br/>2019<br/>No.</b> |
|-------------------------------|--|--|
| Management and Administration | <b>44</b>  | <b>15</b>  |
| Restaurant, Kitchen and Bar   | <b>51</b>  | <b>129</b>   |
|                               | <b><u>95</u></b>   | <b><u>144</u></b>  |

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**CINNAMON COLLECTION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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**9. Directors' remuneration**

|   | <b>53 weeks<br/>ended<br/>3 January<br/>2021<br/>£</b> | <i>52 weeks<br/>ended<br/>29<br/>December<br/>2019<br/>£</i> |
|---|--|--|
| Directors' emoluments   | <b>180,978</b>   | 202,461  |
| Company contributions to defined contribution pension schemes | <b>1,313</b>   | 8,772  |
|   | <b>182,291</b>   | 211,233  |

During the period retirement benefits were accruing to 1 directors (2019 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £180,978 (2019 - £202,461).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,313 (2019 - £8,772).

**10. Interest payable and similar expenses**

|                            | <b>53 weeks<br/>ended<br/>3 January<br/>2021<br/>£</b> | <i>As restated<br/>52 weeks<br/>ended<br/>29<br/>December<br/>2019<br/>£</i> |
|----------------------------|--|--|
| Preference share dividends | -  | 1,044,097  |
|                            | -  | 1,044,097  |

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**CINNAMON COLLECTION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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**11. Taxation**

|  | <b>53 weeks<br/>ended<br/>3 January<br/>2021<br/>£</b> | <b>52 weeks<br/>ended<br/>29<br/>December<br/>2019<br/>£</b> |
|--|--|--|
| <b>Total current tax</b>                         | -  | -  |
| <b>Deferred tax</b>                              |  |  |
| <b>Total deferred tax</b>                        | -  | -  |
| <b>Taxation on profit on ordinary activities</b> | -  | -  |



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**CINNAMON COLLECTION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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**11. Taxation (continued)****Factors affecting tax credit for the period**

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

|  | <b>53 weeks<br/>ended<br/>3 January<br/>2021<br/>£</b> | <i>As restated<br/>52 weeks<br/>ended<br/>29<br/>December<br/>2019<br/>£</i> |
|--|--|--|
| Loss on ordinary activities before tax   | <b>(2,891,991)</b>                                     | <i>(2,255,430)</i>   |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | <b>(549,478)</b>                                       | <i>(428,532)</i>   |
| <b>Effects of:</b>   |  |  |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                | <b>190</b>   | <i>293</i>   |
| Deferred tax rate change   | <b>(60,679)</b>  | <i>27,297</i>  |
| Income not taxable for tax purposes  | <b>-</b>   | <i>(27,441)</i>  |
| Fixed asset differences  | <b>188,235</b>   | <i>146,845</i>   |
| Unrecognised deferred tax  | <b>421,732</b>   | <i>281,538</i>   |
| <b>Total tax charge for the period</b>   | <b>-</b>   | <i>-</i>   |

The Company has a potential deferred tax asset of £958,256 (29 December 2019: £649,338), which has not been recognised as it is not regarded as more likely than not that there will be sufficient taxable profits from which the losses and capital allowances can be deducted.

**Factors that may affect future tax charges**

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

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**CINNAMON COLLECTION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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**12. Intangible assets**

|   | <b>Goodwill<br/>£</b> |
|---|-----------------------|
| <b>Cost</b>   |                       |
| At 30 December 2019                                 | <b>5,763,166</b>      |
| At 3 January 2021                                   | <b>5,763,166</b>      |
| <b>Amortisation</b>                                 |                       |
| At 30 December 2019                                 | <b>1,081,413</b>      |
| Charge for the period on owned assets               | <b>288,158</b>        |
| At 3 January 2021                                   | <b>1,369,571</b>      |
| <b>Net book value</b>                               |                       |
| At 3 January 2021                                   | <b>4,393,595</b>      |
| At 29 December 2019                                 | <b>4,681,753</b>      |
| Amortisation is charged to administrative expenses. |                       |

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**CINNAMON COLLECTION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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**13. Tangible fixed assets**

|                                       | Leasehold<br>property<br>£ | Fixtures and<br>fittings<br>£ | Office<br>equipment<br>£ | Total<br>£       |
|---------------------------------------|----------------------------|-------------------------------|--------------------------|------------------|
| <b>Cost</b>                           |                            |                               |                          |                  |
| At 30 December 2019                   | 3,866,407                  | 2,239,341                     | 82,497                   | 6,188,245        |
| Additions                             | 19,022                     | 39,814                        | 22,593                   | 81,429           |
| Disposals                             | (705,625)                  | (174,215)                     | (12,707)                 | (892,547)        |
| At 3 January 2021                     | <u>3,179,804</u>           | <u>2,104,940</u>              | <u>92,383</u>            | <u>5,377,127</u> |
| <b>Depreciation</b>                   |                            |                               |                          |                  |
| At 30 December 2019                   | 1,029,572                  | 1,634,036                     | 67,182                   | 2,730,790        |
| Charge for the period on owned assets | 382,093                    | 334,193                       | 36,785                   | 753,071          |
| Disposals                             | (388,372)                  | (164,373)                     | (12,411)                 | (565,156)        |
| At 3 January 2021                     | <u>1,023,293</u>           | <u>1,803,856</u>              | <u>91,556</u>            | <u>2,918,705</u> |
| <b>Net book value</b>                 |                            |                               |                          |                  |
| At 3 January 2021                     | <u>2,156,511</u>           | <u>301,084</u>                | <u>827</u>               | <u>2,458,422</u> |
| At 29 December 2019                   | <u>2,836,835</u>           | <u>605,305</u>                | <u>15,315</u>            | <u>3,457,455</u> |

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**CINNAMON COLLECTION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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**14. Fixed asset investments**

|                       | <b>Investments<br/>in<br/>subsidiary<br/>companies<br/>£</b> |
|-----------------------|--|
| <b>Cost</b>           |  |
| At 30 December 2019   | <b>3,593,125</b>   |
| At 3 January 2021     | <b>3,593,125</b>   |
| <b>Net book value</b> |  |
| At 3 January 2021     | <b>3,593,125</b>   |
| At 29 December 2019   | <b>3,593,125</b>   |

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| <b>Name</b>                          | <b>Registered office</b>  | <b>Principal activity</b> | <b>Class of<br/>shares</b> | <b>Holding</b> |
|--------------------------------------|---|---------------------------|----------------------------|----------------|
| Indian Restaurants Limited*          | Colmore Court, 9<br>Colmore Row,<br>Birmingham, West<br>Midlands, United<br>Kingdom, B3 2BJ | Dormant                   | Ordinary                   | 100%           |
| Indian Restaurants (City)<br>Limited | Colmore Court, 9<br>Colmore Row,<br>Birmingham, West<br>Midlands, United<br>Kingdom, B3 2BJ | Dormant                   | Ordinary                   | 100%           |
| Fishworks Restaurants<br>Limited**   | Colmore Court, 9<br>Colmore Row,<br>Birmingham, West<br>Midlands, United<br>Kingdom, B3 2BJ | Dormant                   | Ordinary                   | 100%           |

\*Indian Restaurants Limited is exempt from the requirement of the Companies Act relating to the audit of the individual financial statements by virtue of s479A of the Companies Act 2006.

\*\*Fishworks Restaurants Limited changed its name from CKN2 Limited. On the 4th of January 2021 it commenced trading under the Fishworks Brand.

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**CINNAMON COLLECTION LIMITED**


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**15. Stocks**

|                                     | <b>3 January<br/>2021</b> | <b>29<br/>December<br/>2019</b> |
|-------------------------------------|---------------------------|---------------------------------|
|                                     | <b>£</b>                  | <b>£</b>                        |
| Finished goods and goods for resale | <b>135,083</b>            | <b>218,780</b>                  |
|                                     | <b>135,083</b>            | <b>218,780</b>                  |

Stock recognised in cost of sales during the period as an expense was £902,260 (2019: £2,350,576)

An impairment loss of £nil (2019: £nil) was recognised in cost of sales against stock during the period due to slow-moving and obsolete stock.

**16. Debtors**

|                                     | <b>3 January<br/>2021</b> | <b>29<br/>December<br/>2019</b> |
|-------------------------------------|---------------------------|---------------------------------|
|                                     | <b>£</b>                  | <b>£</b>                        |
| <b>Due after more than one year</b> |                           |                                 |
| Other debtors                       | <b>245,400</b>            | <b>299,850</b>                  |
|                                     | <b>245,400</b>            | <b>299,850</b>                  |

Debtors due after more than one year comprise deposits which are repayable on the expiration of property leases held in respect of land and buildings.

|                                | <b>3 January<br/>2021</b> | <b>29<br/>December<br/>2019</b> |
|--------------------------------|---------------------------|---------------------------------|
|                                | <b>£</b>                  | <b>£</b>                        |
| <b>Due within one year</b>     |                           |                                 |
| Trade debtors                  | <b>44,644</b>             | <b>33,112</b>                   |
| Other debtors                  | <b>101,974</b>            | <b>68,830</b>                   |
| Prepayments and accrued income | <b>49,114</b>             | <b>432,790</b>                  |
| Government grants receivable   | <b>82,495</b>             | <b>-</b>                        |
|                                | <b>278,227</b>            | <b>534,732</b>                  |

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**CINNAMON COLLECTION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Cash and cash equivalents**

|                          | <b>3 January<br/>2021<br/>£</b> | <b>29<br/>December<br/>2019<br/>£</b> |
|--------------------------|---------------------------------|---------------------------------------|
| Cash at bank and in hand | <b>505,283</b>                  | <b>559,456</b>                        |
|                          | <b>505,283</b>                  | <b>559,456</b>                        |

**18. Creditors: Amounts falling due within one year**

|   | <b>3 January<br/>2021<br/>£</b> | <b>As restated<br/>29<br/>December<br/>2019<br/>£</b> |
|---|---------------------------------|---|
| Trade creditors                           | <b>713,664</b>                  | <b>696,013</b>  |
| Amounts owed to group undertakings        | <b>4,508,683</b>                | <b>3,996,642</b>                                      |
| Amounts owed to related parties (note 29) | <b>7,090,175</b>                | <b>7,090,174</b>                                      |
| Other taxation and social security        | <b>523,306</b>                  | <b>529,038</b>  |
| Other creditors                           | <b>19,112</b>                   | <b>14,196</b>   |
| Accruals and deferred income              | <b>1,192,063</b>                | <b>928,858</b>  |
|   | <b>14,047,003</b>               | <b>13,254,921</b>                                     |

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**CINNAMON COLLECTION LIMITED**


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**19. Creditors: Amounts falling due after more than one year**

|                   | 3 January<br>2021<br>£ | 29<br>December<br>2019<br>£ |
|-------------------|------------------------|-----------------------------|
| Preference shares | 8,082,147              | 8,082,147                   |
|                   | <u>8,082,147</u>       | <u>8,082,147</u>            |

The profits of the company available for distribution shall be applied first in paying in respect of each Preference Share a fixed cumulative dividend of 10% of the issue price per Preference Share and second to the extent of any balance of such available profits to the Ordinary shareholders. On the 25 November 2020 Amber REI Holdings Limited waived its entitlement to a dividend or any other distribution payable in respect of the Preference Shares it holds in the Company. This was effective from 1 January 2020.

Each preference share carries no right to vote. On a return of assets, the assets of the Company shall be applied in paying first, a sum equal to any arrears of preference dividends, next in paying the issue price of such preference shares, and next in paying any accrued interest of unpaid preference dividends. The preference shares are redeemable at the option of the Company.

**20. Financial instruments**

|  | 3 January<br>2021<br>£ | 29<br>December<br>2019<br>£ |
|--|------------------------|-----------------------------|
| <b>Financial assets</b>                          |                        |                             |
| Financial assets measured at amortised cost      | 979,795                | 961,248                     |
|  | <u>979,795</u>         | <u>961,248</u>              |
| <b>Financial liabilities</b>                     |                        |                             |
| Financial liabilities measured at amortised cost | (21,605,844)           | (20,808,030)                |
|  | <u>(21,605,844)</u>    | <u>(20,808,030)</u>         |

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, other debtors greater than 1 year, other debtors and government grants.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, amounts owed to related parties, other creditors, accruals and preference shares.

**21. Deferred taxation**

At 3 January 2021, the Company had unrecognised deferred tax assets of £219,571, £3,631 and £735,054 (2019: £194,902, £2,413 and £452,023) relating to accelerated capital allowances, short term timing differences and tax losses respectively. The directors have not recognised these deferred tax assets as a result of the uncertainty of sufficient appropriate taxable profits.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 3 JANUARY 2021**


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**22. Provisions**

|                           | <b>Onerous<br/>lease<br/>provision<br/>£</b> |
|---------------------------|--|
| Charged to profit or loss | <b>363,893</b>                               |
| <b>At 3 January 2021</b>  | <b>363,893</b>                               |

Where leasehold properties become vacant the company provides for all costs, net of anticipated income to the end of the lease or the anticipated date of the disposal or sublease. The provision relates to a site in Oxford which was vacated in 2020 and is not planned to be reoccupied. The provision is expected to be utilised until the end of the lease.

**23. Share capital**

|  | <b>3 January<br/>2021<br/>£</b> | <b>29<br/>December<br/>2019<br/>£</b> |
|--|---------------------------------|---------------------------------------|
| <b>Shares classified as equity</b>                 |                                 |                                       |
| <b>Allotted, called up and fully paid</b>          |                                 |                                       |
| 1,000 (2019 - 1,000) Ordinary shares of £1.00 each | <b>1,000</b>                    | <b>1,000</b>                          |

See note 19 for the rights to the preference shares and distributions or profits to preference shareholders and ordinary shareholders.

**24. Reserves****Profit and loss account**

Profit and loss account - includes all current period retained profit and losses, less dividends.



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**CINNAMON COLLECTION LIMITED**


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**25. Prior year adjustment**

During the period the directors became aware of the additional interest due on the unpaid dividends relating to the preference shares as disclosed in Note 19. This should have been recognised in previous periods and would have had a material impact on the accounts. The Directors have therefore decided to make an adjustment to prior periods to include this impact.

The result of the adjustment is that as at 30 December 2018 an additional 224,058 of interest should have been accrued. This has reduced net liabilities at that date to 5,736,487. During the period to 29 December 2019 an additional 260,608 of interest should have been charged. This has reduced net liabilities at the balance sheet date to 7,991,917. The directors have assessed that the impact in respect of earlier periods is not material.

**26. Capital commitments**

At 03 January 2021 the Company had capital commitments of £nil (29 December 2019: £Nil).

**27. 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 £104,428 (*period ended 29 December 2019: £56,849*). Contributions totalling £19,112 (29 December 2019: £14,196) were payable to the fund at the balance sheet date.

**28. Commitments under operating leases**

At 3 January 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|  | 3 January<br>2021<br>£ | 29<br>December<br>2019<br>£ |
|--|------------------------|-----------------------------|
| Not later than 1 year                        | 986,509                | 934,750                     |
| Later than 1 year and not later than 5 years | 4,480,000              | 4,234,000                   |
| Later than 5 years                           | 8,742,744              | 9,403,982                   |
|  | <u>14,209,253</u>      | <u>14,572,732</u>           |

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**CINNAMON COLLECTION LIMITED**

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**29. Related party transactions**

As a subsidiary undertaking of Invest Co 1 Limited, the Company has taken advantage of the exemption not to disclose transactions with other members of the group headed by Invest Co 1 Limited.

**Amber REI Holdings Ltd ("AREIL")**

AREIL (a related party by common ownership) has previously provided loans to the company. No further loans have been received in the period to 3 January 2021 (29 December 2019: £nil). No repayments have been made in the period ended 3 January 2021 (29 December 2019: repayment of £300,000). The loan balance outstanding at the period end is £3,440,000 (29 December 2019: £3,440,000). RS Boparan is considered to be the controlling party of AREIL.

Preferences shares are held by AREIL. The Company accrued interest of £nil (*period ended 29 December 2019: £1,044,097*) on these preference shares held by AREIL. The balance outstanding at the period end is £3,650,175 (*29 December 2019: £3,650,175*).

**30. Ultimate parent undertaking and controlling party**

The ultimate controlling party is considered to be RS & BK Boparan. The immediate parent company is Boparan Restaurants Holdings Limited. The ultimate parent company is Invest Co 1 Limited. The smallest and largest group in which the results of this Company are consolidated is that of Invest Co 1 Limited. Copies of the Invest Co 1 Limited accounts may be obtained from Companies House.

**31. Post balance sheet events**

On the 18 January 2021 the Articles of Association were amended so that the preference shares carried no right to a dividend or any other distribution payable. As a result, the preference shares will be reclassified to equity as at that date. The amendment made to the preference shares was formalised after the current reporting period and does not provide evidence of conditions that existed at the end of the reporting period, therefore is not an adjusting event as defined by FRS 102 Section 32.