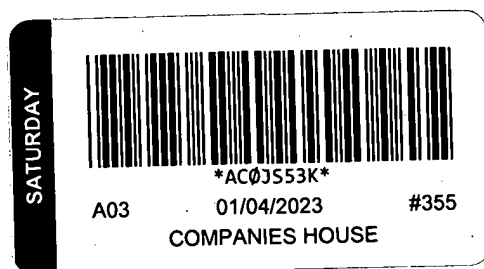


Company Registration No. 09950317 (England and Wales)

CINNAMON COLLECTION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
2 JANUARY 2022



CINNAMON COLLECTION LIMITED

COMPANY INFORMATION

Directors	S S Leihal V Singh D P Sayer
Company number	09950317
Registered office	Colmore Court 9 Colmore Row Birmingham B3 2BJ
Auditor	Grant Thornton UK LLP No 1 Whitehall Riverside Leeds West Yorkshire LS1 4BN

CINNAMON COLLECTION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 2 JANUARY 2022

The directors present their strategic report for Cinnamon Collection Limited ("the company") for the 52 weeks period ended 2 January 2022. The comparative information is for the 53 week period ended 3 January 2021.

Review of the business

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. In its 20th 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.

2021 saw an improvement in performance as the Government restrictions due to the COVID-19 pandemic eased. In the period to 2 January 2022, the company generated revenue of £6,728,000 (period ended 3 January 2021: £4,186,000).

In the period to 2 January 2022, the company made an operating loss of £563,000 (period ended 3 January 2021: operating loss of £2,892,000).

The Statement of Financial Position as at the period end shows net liabilities of £3,364,000 (3 January 2021: £10,884,000). The balance sheet includes goodwill of £4,105,000 (3 January 2021: £4,394,000) 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 16 to the financial statements.

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 have been reclassified to equity as at that date. This has reduced the net liability position of the company by £8,082,000.

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.

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)

CINNAMON COLLECTION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

Principal risks and uncertainties (continued)

Inflationary pressures

Inflation has emerged as a significant economic issue and is set to rise via higher fuel costs coupled with increases in National Insurance. Management will continue to monitor and assess the impact of these matters and take appropriate steps to mitigate their impact on the cost base of the company.

Russia/Ukraine conflict

The impact of increasing geopolitical risks, via Russia and Ukraine, further increase economic risks with regard energy and potential global supply chains. Again, management will continue to monitor and assess the impact of this conflict on the operations of the company.

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

Financial risk management

The financial support provided by the parent company, Invest Co 1 Limited, means that there is a low liquidity risk.

The group operates within a framework of weekly reporting which covers performance measures for profitability and cash flows, managing the drivers of the business in a controlled manner so as to minimise the financial and operational impacts and risks upon the business.

Regular consideration of cash flows forecasts allow the group to ensure the business is operating within the committed funding which is available.

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 non-financial performance indicators are the average number of staff employed by the company, customer measures and health & safety at work.

	2 January 2022	3 January 2021
Turnover (£'000)	6,728	4,186
Gross profit (£'000)	5,239	3,280
Average number of employees	103	95

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.

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.

CINNAMON COLLECTION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

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 2 January 2022, 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
Our people				
<p>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.</p> <p>We want employees to have pride in what they do and, in the company.</p>	<p>We get to know our team members and give them the opportunity to have a voice, have meetings and an opportunity for feedback.</p> <p>There are training and development programmes, internal communications and a regular appraisal and review process.</p>	<p>Employee safety and wellbeing, diversity and inclusion, career and personal development, fair pay, clarity of direction, mutual respect and enjoyment at work.</p>	<p>Communication newsletters and/or noticeboards, information videos for our colleagues, regular appraisals and feedback.</p>	<p>There are social distancing measures, with training, support and advice on working safely. PPE is provided and there are regular COVID-19 briefings.</p>
Our customers				
<p>Our purpose is to deliver high quality service to all of our customers, who are at the heart of everything we do.</p>	<p>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.</p> <p>All of our initiatives focus on clear communication.</p>	<p>Our customers want products supplied at the right price, level of service and on time delivery, with consistency of supply and technical compliance.</p> <p>It is important that we hold full accreditations to all certified bodies.</p>	<p>We are always there for our customers.</p> <p>We track all social statistics, complaints and feedback from our customers.</p>	<p>We have prioritised customer safety throughout the COVID-19 pandemic.</p> <p>We follow government guidelines in all processes.</p> <p>We ensure that we have staff and supplier PPE in place, there is appropriate staff training and a full risk assessment process.</p>

CINNAMON COLLECTION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

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

Why we engage	How we engage	What matters most to our stakeholders	How we respond	COVID – 19 specific considerations
Our suppliers				
We let suppliers know both our requirements and the standards expected, so that they meet our expectations. 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. 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. Suppliers are benchmarked and there is a regular tendering process.	We communicate fully any variation in supply, including any peaks or reduced demand. We ensure suppliers have appropriate PPE on site and are able to deliver products safely to our restaurants.
Trade bodies				
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. 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. We also follow best proactive initiatives, such as the AA Covid Secure accreditations.
Our communities and the environment				
We take our responsibilities to the local community seriously. We acknowledge the responsibility we have to protect the environment and to minimise the environmental impact of our activities.	Our businesses 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.

CINNAMON COLLECTION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

On behalf of the board

Satnam Leihal

.....
S S Leihal

Director

30/3/2023

Date:

CINNAMON COLLECTION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 2 JANUARY 2022

The directors present their annual report and financial statements for the year ended 2 January 2022.

Principal activities

The principal activity of the company continued to be that of restaurant operations.

Results and dividends

The loss for the period, after taxation, amounted to £562,000 (3 January 2021 - loss £2,892,000).

No ordinary dividends were paid (2021: £nil). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

T J Curle (Resigned 16 December 2022)

S S Leihal

V Singh

D P Sayer (Appointed 16 December 2022)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Disabled persons

The company will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

Employee involvement

The company recognises that its employees are important to the success of the business in terms of delivering shareholder value and excellent customer service. The business continues to have a commitment to employee development and involvement in each of its locations. This commitment is met through training, information sharing and selective recruitment processes.

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.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 487(2) of the Companies Act 2006.

Strategic report

The Strategic Report can be found on pages 1-5. This contains the business review, key performance indicators, principal risks and uncertainties and statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

CINNAMON COLLECTION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 2 JANUARY 2022

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources and finance facilities to continue in operational existence for at least the next 12 month period from the date these financial statements were approved. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In reaching this decision the directors have considered latest forecasts to 31 March 2024 as well as having made a consideration of the potential impact of the current cost of living crisis and rising inflation on the forecast cash flows and liquidity of the Company. The assessment takes into account a number of scenarios including a reduction in sales from the impact of the cost of living crisis. Even under these circumstances, the directors currently believe the company can continue to maintain sufficient liquidity over the next 12 month forecast period. A reverse stress test has also been conducted to assess at what point would the model not operate, which the directors see as highly improbable. Mitigating actions are also available to the company in managing their liquidity including deferring capital expenditure.

The directors have obtained confirmation from the directors of Invest Co 1 Limited, an indirect holding company, that Invest Co 1 Limited will continue to provide financial support to the company for a period of at least the next 12 months from the date of approving the financial statements. The directors have assessed and concluded that Invest Co 1 Limited has the financial ability to provide financial support if required.

On behalf of the board

Satnam Leihal

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S S Leihal
Director

30/3/2023

Date:

CINNAMON COLLECTION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 2 JANUARY 2022

The directors are responsible for preparing the Strategic Report and 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). 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Opinion

We have audited the financial statements of Cinnamon Collection Limited (the 'company') for the year ended 2 January 2022, which comprise the statement of comprehensive income, the statement of financial position, 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 2 January 2022 and of its loss for the year 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 inflationary pressures, 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.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 themselves. 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.

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

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 year 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.

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

As explained more fully in the directors' responsibilities statement set out on page 8, 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 conclude 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 of non-compliance were to occur; health and safety regulations and employment law.

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

- 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 enquires 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.
- 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 journal 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.
- 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.

- 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Richard Woodward (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds

30/3/2023

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CINNAMON COLLECTION LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 2 JANUARY 2022**

		2 January 2022 £000	3 January 2021 £
	Notes		
Turnover	3	6,728	4,186
Cost of sales		(1,489)	(906)
Gross profit		5,239	3,280
Administrative expenses		(6,488)	(7,346)
Other operating income		686	1,174
Operating loss	6	(563)	(2,892)
Interest payable and similar expenses	7	(52)	-
Loss before taxation		(615)	(2,892)
Tax on loss	8	53	-
Loss for the financial year		(562)	(2,892)

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 2022 (2021: £nil).

CINNAMON COLLECTION LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 2 JANUARY 2022**

		2 January 2022		3 January 2021	
	Notes	£000	£000	£	£
Fixed assets					
Goodwill	9		4,105		4,394
Tangible assets	10		2,083		2,458
Investments	11		3,593		3,593
			<u>9,781</u>		<u>10,445</u>
Current assets					
Stocks	13	146		135	
Debtors falling due after more than one year	14	146		245	
Debtors falling due within one year	14	310		279	
Cash at bank and in hand		1,125		505	
		<u>1,727</u>		<u>1,164</u>	
Creditors: amounts falling due within one year	15	(14,502)		(14,047)	
Net current liabilities			(12,775)		(12,883)
Total assets less current liabilities			(2,994)		(2,438)
Creditors: amounts falling due after more than one year	16		-		(8,082)
Provisions for liabilities	17		(370)		(364)
Net liabilities			<u>(3,364)</u>		<u>(10,884)</u>
Capital and reserves					
Called up share capital	19		8,083		1
Profit and loss reserves	20		(11,447)		(10,885)
Total equity			<u>(3,364)</u>		<u>(10,884)</u>

30/3/2023

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:

Satnam Leihal

S S Leihal
Director

CINNAMON COLLECTION LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 2 JANUARY 2022**

	Share capital	Profit and loss reserves	Total
	£000	£000	£000
Balance at 30 December 2019	1	(7,993)	(7,992)
Year ended 3 January 2021:			
Loss and total comprehensive income for the year	-	(2,892)	(2,892)
	<hr/>	<hr/>	<hr/>
Balance at 3 January 2021	1	(10,885)	(10,884)
Year ended 2 January 2022:			
Loss and total comprehensive income for the year	-	(562)	(562)
Reclassification of preference shares	8,082	-	8,082
	<hr/>	<hr/>	<hr/>
Balance at 2 January 2022	<u>8,083</u>	<u>(11,447)</u>	<u>(3,364)</u>

CINNAMON COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 JANUARY 2022

1 Accounting policies

Company 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.

Accounting convention

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 company's accounting policies (see note 2).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

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 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.

The following principal accounting policies have been applied:

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources and finance facilities to continue in operational existence for at least the next 12 month period from the date these financial statements were approved. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In reaching this decision the directors have considered latest forecasts to 31 March 2024 as well as having made a consideration of the potential impact of the current cost of living crisis and rising inflation on the forecast cash flows and liquidity of the Company. The assessment takes into account a number of scenarios including a reduction in sales from the impact of the cost of living crisis. Even under these circumstances, the directors currently believe the company can continue to maintain sufficient liquidity over the next 12 month forecast period. A reverse stress test has also been conducted to assess at what point would the model not operate, which the directors see as highly improbable. Mitigating actions are also available to the company in managing their liquidity including deferring capital expenditure.

The directors have obtained confirmation from the directors of Invest Co 1 Limited, an indirect holding company, that Invest Co 1 Limited will continue to provide financial support to the company for a period of at least the next 12 months from the date of approving the financial statements. The directors have assessed and concluded that Invest Co 1 Limited has the financial ability to provide financial support if required.

CINNAMON COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

1 Accounting policies (Continued)

Turnover

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

Turnover generated in our own restaurants is recognised at the point of sale net of taxes. Franchise development fees are recognised when a franchisee opens the related store for trading which is generally when we have fulfilled all of our commitments in respect of the fee. Ongoing franchise fees are based on franchise store sales to customers and are recognised in the period to which those sales relate. Licence fees are based on licence sales to customers and are recognised in the period to which those sales relate.

Intangible fixed 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.

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.

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.

Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Impairment of fixed assets

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.

CINNAMON COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

1 Accounting policies (Continued)

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.

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.

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.

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 Statement of Financial Position 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.

CINNAMON COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

1 Accounting policies (Continued)

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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognise as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised of all timing differences that have originated but reversed by the balance sheet date except that:

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

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

CINNAMON COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

1 Accounting policies (Continued)

Provisions

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 Statement of Financial Position.

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.

Retirement benefits

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 Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Leases

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.

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.

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.

Interest income

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

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.

CINNAMON COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

2 Judgements 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 includes significant judgement to derive the valuation. The company undergoes an annual budget process that is used to form the basis of the 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) Dilapidations

Dilapidations provisions are made based on the estimated costs necessary to restore properties to their condition at lease inception. The directors have assessed based on a review of the lease agreements that no provision is required.

3 Turnover and other operating income

	2 January 2022 £000	3 January 2021 £000
Turnover analysed by class of business		
Sale of goods	6,677	4,186
Franchise fee income	51	-
	<u>6,728</u>	<u>4,186</u>
	2 January 2022 £000	3 January 2021 £000
Other operating income		
Grants received	686	1,174
	<u>686</u>	<u>1,174</u>

CINNAMON COLLECTION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****3 Turnover and other operating income (Continued)**

	2 January 2022 £000	3 January 2021 £000
Turnover analysed by geographical market		
United Kingdom	6,677	4,186
Rest of the world	51	-
	<u>6,728</u>	<u>4,186</u>

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

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2 January 2022 Number	3 January 2021 Number
Management and Administration	44	44
Restaurant, Kitchen and Bar staff	59	51
	<u>103</u>	<u>95</u>

Their aggregate remuneration comprised:

	2 January 2022 £000	3 January 2021 £000
Wages and salaries	2,362	2,618
Social security costs	209	223
Pension costs	49	104
	<u>2,620</u>	<u>2,945</u>

CINNAMON COLLECTION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****5 Directors' remuneration**

	2 January 2022 £000	3 January 2021 £000
Remuneration for qualifying services	190	181
Company pension contributions to defined contribution schemes	1	1
	<u>191</u>	<u>182</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (3 January 2021 - 1).

6 Operating loss

	2 January 2022 £000	3 January 2021 £000
Operating loss for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	17	25
Depreciation of owned tangible fixed assets	477	753
Amortisation of intangible assets	288	288
Operating lease charges	933	1,272
	<u>1,715</u>	<u>2,343</u>

7 Interest payable and similar expenses

	2 January 2022 £000	3 January 2021 £000
Unwinding of discount on provisions	52	-
	<u>52</u>	<u>-</u>

8 Taxation

	2 January 2022 £000	3 January 2021 £000
Current tax		
UK corporation tax on profits for the current period	(53)	-
	<u>(53)</u>	<u>-</u>

CINNAMON COLLECTION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****8 Taxation (Continued)**

The total tax (credit)/charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2 January 2022 £000	3 January 2021 £000
Loss before taxation	(615)	(2,892)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (3 January 2021: 19.00%)	(117)	(549)
Fixed asset differences	102	188
Transfer pricing adjustment	(3)	-
Movement in deferred tax recognition	(35)	361
Taxation credit for the year	(53)	-

In the Spring Budget 2021, the Government announced that the corporation tax rate would remain at 19% until 2023. Following which, the rate of corporation tax will increase to 25% for profits over £250,000. This new law was substantively enacted on May 2021. Deferred tax has been calculated at 25% which was the tax rate substantively enacted at 1 January 2022.

At 2 January 2022, the company had unrecognised deferred tax assets of £259,000, £3,000 and £936,000 (2021: £220,000, £4,000 and £735,000) 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.

9 Intangible fixed assets

	Goodwill £000
Cost	
At 4 January 2021 and 2 January 2022	5,763
Amortisation	
At 4 January 2021	1,370
Amortisation charged for the year	288
At 2 January 2022	1,658
Carrying amount	
At 2 January 2022	4,105
At 3 January 2021	4,394

Amortisation is charged to administrative expenses.

CINNAMON COLLECTION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****10 Tangible fixed assets**

	Short-term leasehold property	Fixtures and fittings	Office equipment	Total
	£000	£000	£000	£000
Cost				
At 4 January 2021	3,180	2,105	92	5,377
Additions	7	54	41	102
At 2 January 2022	3,187	2,159	133	5,479
Depreciation				
At 4 January 2021	1,023	1,804	92	2,919
Depreciation charged in the year	248	206	23	477
At 2 January 2022	1,271	2,010	115	3,396
Carrying amount				
At 2 January 2022	1,916	149	18	2,083
At 3 January 2021	2,157	301	-	2,458

11 Fixed asset investments

	Notes	2 January 2022 £000	3 January 2021 £000
Investments in subsidiaries	12	3,593	3,593

Movements in fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 4 January 2021 & 2 January 2022	3,593
Carrying amount	
At 2 January 2022	3,593
At 3 January 2021	3,593

CINNAMON COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

12 Subsidiaries

Details of the company's subsidiaries at 2 January 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Indian Restaurants Limited*	Colmore Court, 9 Colmore Row, Birmingham, West Midlands, United Kingdom, B3 2BJ	Dormant	Ordinary	100.00
Indian Restaurants (City) Limited	Colmore Court, 9 Colmore Row, Birmingham, West Midlands, United Kingdom, B3 2BJ	Dormant	Ordinary	100.00

*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.

13 Stocks

	2 January 2022 £000	3 January 2021 £000
Raw materials and consumables	146	135

An impairment loss of £nil (2021: £nil) was recognised in cost of sales against stock during the period due to slow-moving and obsolete stock.

There is no material difference between replacement cost of stocks and the amount stated above.

14 Debtors

	2 January 2022 £000	3 January 2021 £000
Amounts falling due within one year:		
Trade debtors	9	46
Amounts owed by group undertakings	53	-
Other debtors	-	184
Prepayments and accrued income	248	49
	<u>310</u>	<u>279</u>
	2 January 2022 £000	3 January 2021 £000
Amounts falling due after more than one year:		
Other debtors	146	245
	<u>146</u>	<u>245</u>
Total debtors	<u>456</u>	<u>524</u>

CINNAMON COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

14 Debtors (Continued)

Within other debtors there is a balance of £nil relating to government grants receivable (2021: £82,000).

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

15 Creditors: amounts falling due within one year

	2 January 2022 £000	3 January 2021 £000
Trade creditors	1,712	714
Amounts owed to group undertakings	4,458	4,509
Taxation and social security	248	523
Other creditors	191	19
Amounts owed to related parties	6,790	7,090
Accruals and deferred income	1,103	1,192
	<u>14,502</u>	<u>14,047</u>

16 Creditors: amounts falling due after more than one year

	2 January 2022 £000	3 January 2021 £000
Notes		
Preference shares	-	8,082
	<u>-</u>	<u>8,082</u>

With respect to the period ended 3 January 2021, the profits of the company available for distribution were 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.

On 18 January 2021 the preference shares were modified to no longer have the right to a dividend. Subsequently these have been reclassified to equity.

17 Provisions for liabilities

	2 January 2022 £000	3 January 2021 £000
Onerous lease provision	370	364
	<u>370</u>	<u>364</u>

CINNAMON COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

17 Provisions for liabilities (Continued)

Movements on provisions:

	Onerous lease provision £000
At 4 January 2021	364
Utilisation of provision	(46)
Interest	52
	<u> </u>
At 2 January 2022	<u>370</u>

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 not expected to be utilised until the end of the lease.

18 Retirement benefit schemes

	2 January 2022 £000	3 January 2021 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	49	104
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions amounting to £12,000 (2021: £19,000) were payable to the fund at the balance sheet date and are included within other creditors.

19 Share capital

	2 January 2022 Number	3 January 2021 Number	2 January 2022 £000	3 January 2021 £000
Ordinary share capital				
Issued and fully paid				
of £1 each	1,000	1,000	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CINNAMON COLLECTION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 2 JANUARY 2022****19 Share capital (Continued)**

	2 January 2022 Number	3 January 2021 Number	2 January 2022 £000	3 January 2021 £000
Preference share capital issued and fully paid of £1 each	8,082,147	8,082,147	8,082	8,082
Preference shares classified as equity			8,082	-
Preference shares classified as liabilities			-	8,082
			8,082	8,082
Total equity share capital			8,083	1

Each Preference Share carries no right to vote. On the 18 January 2021 the Articles of Association of the company were amended so that the preference shares carried no right to a dividend or any other distribution payable. As a consequence, the Preference shares had been reclassified from debt to equity.

Each ordinary share has full rights in the company with respect to voting, dividends and distributions.

20 Reserves**Profit and loss account**

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

21 Operating lease commitments**Lessee**

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

	2 January 2022 £000	3 January 2021 £000
Within one year	1,120	987
Between one and five years	4,480	4,480
In over five years	7,626	8,743
	13,226	14,210

CINNAMON COLLECTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 2 JANUARY 2022

22 Related party transactions

Amber REI Holdings Limited ("AREIL")

AREIL (a related party by common ownership) has previously provided loans to the company. Further loans of £200,000 were received in the period to 2 January 2022 (2021: £nil). During the period a repayment of £500,000 has been made in the period ended 2 January 2022 (2021: £nil). As at 2 January 2022, the outstanding balance for the loans provided was £3.14m (2021: £3.44m).

Preferences shares are held by AREIL. The company accrued interest of £nil (2021: £nil) on these preference shares held by AREIL. As at 2 January 2022, the company had a balance of £3.65m (2021: £3.65m) outstanding for the interest payable on the preference shares.

Amounts owed from group undertakings and Amounts owed to group undertakings are disclosed in note 14 and note 15 respectfully.

23 Ultimate controlling party

From 3 January 2022, the ultimate parent undertaking is Boparan Private Office Limited, prior to this date and from the beginning of the reporting period the ultimate parent undertaking was Invest Co 1 Limited.

The company's immediate parent company is Boparan Restaurants Holdings Limited, which is incorporated in the United Kingdom.

The largest and smallest group in which the results of the company are consolidated is that headed by Invest Co 1 Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the company.

The ultimate controlling party is considered to be RS and BK Boparan.