

Company registration number 11642850 (England and Wales)

NEWREST INFLIGHT UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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NEWREST INFLIGHT UK LIMITED

COMPANY INFORMATION

Directors

Matthieu Jeandel
J E Stent-Torriani
Olivier Sadran (Appointed 01.03.2022)

Company number

11642850

Registered office

3 Milbrook Way
Colnbrook
Slough
SL3 0HN

Auditor

JSP Accountants Limited
Chartered Accountants and Statutory Auditors
First Floor
10 College Road
Harrow
Middlesex
HA1 1BE

Business address

3 Milbrook Way
Colnbrook
Slough
SL3 0HN

NEWREST INFLIGHT UK LIMITED

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NEWREST INFLIGHT UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present the strategic report for the year ended 30 September 2022:

Review of the business

In the first half of the financial year 2022 we continued with the same trend that we finished the second half of the financial year 2021. We had a steady business line with some small increases in activity through to March which was manageable with the existing staffing structures.

For the second half of the financial year 2022 we saw an increase in activity from our main customer and also the additional of a further smaller customer to utilise some of the capacity remaining as we had still not reached the pre-pandemic level with our existing customer.

The second half of the year saw increases in the flight schedules of customers in Q3 stabilising in Q4. The dramatic increase were challenging from a staffing perspective due to challenges of availability of skilled staff in the UK labour market.

Operating profit of £2.3m last year became an operating profit of £665k this year and we expect to continue to see a profit in 2023.

Principal risks and uncertainties The company operates in a highly competitive market and is subject to fluctuating cycles experience in the airline catering sector.

The main risk for the business into the financial year 2023 is the significant inflation effects which are being felt in food and fuel pricing. We are continuing to focus on how we can minimise waste within our production activities and how we can drive energy efficient practices to minimise as much as possible the inflationary impact.

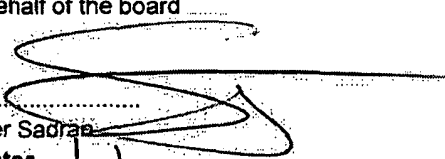
The UK labour market continues to be a challenging environment with a limited supply of staff wishing to work within our sector still seen as a risk since the Covid-19 pandemic and along with limited supply of staff and the inflation impacts we are seeing increasing pay rates across all areas of the business to recruit and retain staff.

The company is also exposed to a number of different regulatory environments and, in order to maintain a competitive market position, and to protect its interests, the company maintains robust policies on health and safety, quality, and training

Future prospects

Our focus in the next year is to embed the practices we have embarked on in FY2022 to focus on managing our waste and increasing our operational efficiencies in order to tackle the ever-increasing inflationary impacts. We are also focusing on our safety and quality practices to ensure that we continue to deliver a high standard, safe operation and working practices for all staff. The efficiencies and quality aspects are driven through our focus on the use of automation and upskilling of our teams.

On behalf of the board


Olivier Sadran
Director

9/1/2023

NEWREST INFLIGHT UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their annual report and financial statements for the year ended 30 September 2022.

Principal activities

The principal activity of the company continued to be that of involved in provision of catering and logistics to the airline industry

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. 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:

Matthieu Jeandel
J E Stent-Torriani
Olivier Sadran (Appointed 01.03.22)

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 60 day's purchases, based on the average daily amount invoiced by suppliers during the year.

Auditor

JSP Accountants Limited were appointed as auditors to the company and in accordance with the company's articles, a resolution proposing that be reappointed as auditor of the company will be put at a General Meeting.

Energy and carbon report

As the company does not exceed two of the three thresholds for the criteria for the Streamlined Energy and Carbon Reporting, it is not required to report in this matter for the financial year 2022.

NEWREST INFLIGHT UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board


Olivier Sadran
Director

Date: 09/01/2023.....

NEWREST INFLIGHT UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEWREST INFLIGHT UK LIMITED

Opinion

We have audited the financial statements of Newrest Inflight UK Limited (the 'company') for the year ended 30 September 2022 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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.

Emphasis of matter

We draw attention to Note 1 in the financial statements, which indicates that the company has a net profit of £0.2m for the year ended 30 September 2022 and, as at that date, the company's financial position shows a total deficit of £6.3m. These events or conditions, along with other matters as set out in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

Conclusions relating to going concern

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

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

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

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 course of 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 this gives rise to 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.

NEWREST INFLIGHT UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEWREST INFLIGHT UK LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

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

[The auditor's assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.] ICAEW guidance relating to reporting on irregularities, November 2020, based on ISA 700 A39-1 to A39-5

[Which laws and regulations the auditor identified as being of significance in the context of the entity.] ICAEW guidance relating to reporting on irregularities, November 2020, based on ISA 700 A39-1 to A39-5

NEWREST INFLIGHT UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEWREST INFLIGHT UK LIMITED

[The auditor's explanation of its audit response will depend on the risks identified but may include:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal audit reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.]

ICAEW guidance relating to reporting on irregularities, November 2020, based on ISA 700 A39-1 to A39-5

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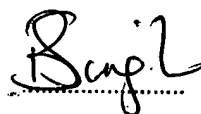
- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal audit reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.]

ICAEW guidance relating to reporting on irregularities, November 2020, based on ISA 700 A39-1 to A39-5

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.

(Senior Statutory Auditor)
For and on behalf of



JSP Accountants Limited
Chartered Accountants & Statutory Auditors
First Floor
10 College Road
Harrow
HA1 1BE

NEWREST INFLIGHT UK LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
Revenue	3	20,132,066	8,617,647
Cost of sales		(13,602,938)	(3,377,079)
Gross profit		6,529,128	5,240,568
Other operating income		38,394	1,029,655
Administrative expenses		(5,902,529)	(3,933,365)
Operating profit	4	664,993	2,336,858
Finance costs	6	(917,208)	629,626
(Loss)/profit before taxation		(252,215)	2,966,484
Income tax expense		-	-
(Loss)/profit and total comprehensive income for the year	16	(252,215)	2,966,484

The income statement has been prepared on the basis that all operations are continuing operations.

NEWREST INFLIGHT UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
Non-current assets			
Property, plant and equipment	7	9,180,998	10,497,264
Current assets			
Inventories	8	278,424	89,590
Trade and other receivables	9	2,565,956	6,026,496
Cash and cash equivalents		1,398,348	527,063
		4,242,728	6,643,149
Current liabilities			
Trade and other payables	12	3,794,300	2,807,746
Lease liabilities	13	139,673	15,367
		3,933,973	2,823,113
Net current assets		308,755	3,820,036
Non-current liabilities			
Borrowings	11	15,627,026	20,369,981
Lease liabilities	13	201,769	34,146
		15,828,795	20,404,127
Net liabilities		(6,339,042)	(6,086,827)
Equity			
Called up share capital	15	10,000	10,000
Retained earnings	16	(6,349,042)	(6,096,827)
Total equity		(6,339,042)	(6,086,827)

The financial statements were approved by the board of directors and authorised for issue on 09/01/2023 and are signed on its behalf by:


Olivier Sadran
Director


M F M Jeandel
Director

Company registration number 11642850

NEWREST INFLIGHT UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital £	Retained earnings £	Total £
Balance at 1 October 2020	10,000	(9,063,311)	(9,053,311)
Year ended 30 September 2021:			
Profit and total comprehensive income for the year	-	2,966,484	2,966,484
Balance at 30 September 2021	10,000	(6,096,827)	(6,086,827)
Year ended 30 September 2022:			
Loss and total comprehensive income for the year	-	(252,215)	(252,215)
Balance at 30 September 2022	10,000	(6,349,042)	(6,339,042)

NEWREST INFLIGHT UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19		6,779,558		(977,992)
Interest and exchange variance			(917,208)		629,626
Net cash inflow/(outflow) from operating activities			5,862,350		(348,366)
Investing activities					
Purchase of property, plant and equipment		(540,038)		(174,649)	
Proceeds on disposal of property, plant and equipment		-		15,285	
Net cash used in investing activities			(540,038)		(159,364)
Financing activities					
Repayment of borrowings		(4,742,956)		(617,262)	
Payment of lease liabilities		291,929		(30,652)	
Net cash used in financing activities			(4,451,027)		(647,914)
Net increase/(decrease) in cash and cash equivalents			871,285		(1,155,644)
Cash and cash equivalents at beginning of year			527,063		1,682,707
Cash and cash equivalents at end of year			1,398,348		527,063

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Company Information

Newrest Inflight UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Millbrook Way, Colnbrook, Slough, SL3 0HN, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements have been prepared on the historical cost basis, except for the revaluation of. The principal accounting policies adopted are set out below.

NEWREST INFLIGHT UK LIMITED is a wholly owned subsidiary of NEWREST HOLDING UK LIMITED which is in turn a 100% subsidiary of NEWREST GROUP HOLDING S.A. and the results of Newrest Inflight UK Limited are included in the consolidated financial statements of Newrest Group Holding, S.A which are available from AMB Barajas Logistic Park, Avenida Central no. 42, Modullos MYN- 28042, Madrid, Spain.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

In the first half of the financial year 2022 we continued with the same trend that we finished the second half of the financial year 2021. We had a steady business line with some small increases in activity through to March which was manageable with the existing staffing structures.

For the second half of the financial year 2022 we saw an increase in activity from our main customer and also the additional of a further smaller customer to utilise some of the capacity remaining as we had still not reached the pre-pandemic level with our existing customer.

The second half of the year saw increases in the flight schedules of customers in Q3 stabilising in Q4. The dramatic increase were challenging from a staffing perspective due to challenges of availability of skilled staff in the UK labour market.

Operating profit of £2.3m last year became an operating profit of £665k this year and we expect to continue to see a profit in 2023.

As a result of the above, the company reported a net loss of £0.25m) as compared to a net profit last year of amount £2.9m and a total negative equity of £6.3m (2021: £6m).

The directors confirm that there is strong financial support available from its parent company NEWREST GROUP HOLDING S.A and on this basis going concern basis is applicable

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	
Fixtures and fittings	Over 5 years on a Straight line basis
Plant and equipment	Over 7 years on a Straight line basis
Computers	Over 3 years on a Straight line basis
Motor vehicles/ Trucks	Over 3 / 7 years on a Straight line basis
Right of Use assets	Over term of lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.5 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.7 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.9 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

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

Trade and other receivables

Trade and other debtors that are receivable within one year and do not constitute a financing transaction are recorded at the undiscounted amount expected to be received, net of impairment.

Those that are receivable after more than one year or constitute a financing transaction are recorded initially at fair value less transaction costs and subsequently at amortised cost, net of impairment

Impairment of financial assets

A loss allowance is recognised on initial recognition of financial assets held at amortised cost, based on expected credit losses, and is re-measured annually with changes appearing in profit and loss. Where there has been a significant increase in credit risk of the financial instrument since initial recognition, the loss allowance is measured based on lifetime expected losses. In all other cases, the loss allowance is measured on 12 - month expected losses. For assets with a maturity of 12 months or less, including trade receivables, the 12-month expected loss allowance is equal to the lifetime expected loss allowance.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.10 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the fair value of the assets at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.15 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.17 Assessment and impact of new IFRS

The following summary includes all new standards and amendments endorsed by the EU with an effective date on or after 1 January 2022.

- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1 April 2021)

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022)

- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022)

- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022)

- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022)

The above standards are all effective after 01 January 2022 and the impact these standards on the company's financial statements can be assessed as follows:

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.18 Amendment to IFRS 3 Business Combinations- Reference to the Conceptual Framework

In May 2020, the Board:

- amended IFRS 3:11 to refer to the 2018 version of the Conceptual Framework for Financial Reporting, and
- amended IFRS 3 in respect of the specific requirements for transactions and other events within the scope of IAS 37 or IFRIC 21:
 - For a provision or contingent liability that would be within the scope of IAS 37, the acquirer shall apply IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events.
 - For a levy that would be within the scope of IFRIC 21, the acquirer shall apply IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.
 - The acquirer shall not recognise a contingent asset at the acquisition date

Transitional provisions

- An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022.
- Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

The above Standard is effective for Annual periods beginning on or after 1 January 2022

IAS 16 - Property, Plant and Equipment: Proceeds before Intended use.

Summary of changes

Currently:

- Costs and proceeds from selling items during testing phase reflected in the cost of PPE.

Amendments:

- It is prohibited to deduct from the cost of PPE proceeds from selling items produced before intended use (activation) of PPE.
- No additional guidance to determine when the item of PPE is available for use.
- Clarification what is „testing“.
- Specific guidance for measurement of cost of sold items from testing is not provided (IAS 2 applies).
- New disclosure requirement.

The above Standard is effective for Annual periods beginning on or after 1 January 2022

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

IAS 37 - Onerous Contracts- Cost of Fulfilling a Contract

What was amended?

- The Board decided to require an entity to include all costs that relate directly to a contract.
- The Board concluded that:
 - including all such costs provides more useful information to users of the entity's financial statements;
 - the benefits of providing that information are likely to outweigh the costs; and
 - a requirement to include all costs that relate directly to a contract is consistent with other requirements in IAS 37 and requirements in other IFRS Standards.

Transitional provisions

- An entity shall apply those amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).
- The entity shall not restate comparative information. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- Application earlier than on 1 January 2022 is permitted.

Annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16

IFRS 1 First-time Adoption of IFRS- Subsidiary as a first-time adopter and voluntary exemption regarding cumulative translation differences

IFRS 9 Financial Instruments Fees in the „10 per cent“ test for de-recognition of financial liabilities

Illustrative Examples to IFRS 16 Leases - Lease incentives

IAS 41 Agriculture Taxation in fair value measurement

We have assessed the above requirements and consider that they will not have a significant effect on the way the above is currently dealt and reported in the financial statements.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

3 Revenue

	2022 £	2021 £
Revenue analysed by class of business		
United Kingdom	20,132,066	8,617,647

	2022 £	2021 £
Other income		
Grants received	394	1,001,505

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(394)	(1,001,505)
Fees payable to the company's auditor for the audit of the company's financial statements	8,090	8,020
Depreciation of property, plant and equipment	1,855,124	1,793,907
Loss on disposal of property, plant and equipment	1,181	-
Cost of inventories recognised as an expense	8,348,259	1,070,088

5 Employees

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

	2022 Number	2021 Number
United Kingdom	142	73

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	4,576,974	1,916,024
Social security costs	445,397	200,059
Pension costs	232,308	190,908
	5,254,679	2,306,991

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

6 Finance costs

	2022 £	2021 £
Interest on obligations under lease liabilities	1,948	116
Other interest payable	581,217	599,429
Total interest expense	583,165	599,545
Exchange differences on financing transactions	334,043	(1,229,171)
	917,208	(629,626)

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

7 Property, plant and equipment

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles/ Trucks	Right of Use assets	Total
	£	£	£	£	£	£	£
Cost							
At 1 October 2020	7,132,895	1,859,233	202,243	608,912	3,868,671	94,174	13,766,128
Additions	170,937	-	-	3,712	-	-	174,649
Disposals	-	-	-	-	-	(15,285)	(15,285)
At 30 September 2021	7,303,832	1,859,233	202,243	612,624	3,868,671	78,889	13,925,492
Additions	69,966	88,573	-	-	-	381,499	540,038
Disposals	-	-	(96,732)	(3,129)	-	-	(99,861)
At 30 September 2022	7,373,798	1,947,806	105,511	609,495	3,868,671	460,388	14,365,669
Accumulated depreciation and impairment							
At 1 October 2020	595,459	232,452	105,928	176,738	509,553	14,191	1,634,321
Charge for the year	723,862	265,604	32,185	204,105	552,667	15,484	1,793,907
At 30 September 2021	1,319,320	498,056	138,113	380,843	1,062,220	29,675	3,428,228
Charge for the year	731,397	269,931	21,083	198,428	552,668	81,617	1,855,124
Eliminated on disposal	-	-	(96,271)	(2,409)	-	-	(98,680)
At 30 September 2022	2,050,717	767,987	62,925	576,862	1,614,888	111,292	5,184,671
Carrying amount							
At 30 September 2022	5,323,081	1,179,819	42,586	32,633	2,253,783	349,096	9,180,998
At 30 September 2021	5,984,511	1,361,177	64,130	231,781	2,806,451	49,214	10,497,264

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

8 Inventories

	2022 £	2021 £
Finished goods	278,424	89,590

9 Trade and other receivables

	2022 £	2021 £
Trade receivables	438,816	200,424
Amount owed by parent undertaking	30,333	4,015,250
Amounts owed by fellow group undertakings	1,136,861	792,918
Other receivables	830,885	830,885
Prepayments	129,061	187,019
	<u>2,565,956</u>	<u>6,026,496</u>

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

Note: There is no formal net off procedure for the Group loans.

10 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

11 Borrowings

	Non-current 2022 £	2021 £
Borrowings held at amortised cost:		
Loans from parent undertaking	<u>15,627,026</u>	<u>20,369,981</u>

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

12 Trade and other payables

	2022	2021
	£	£
Trade payables	1,841,729	2,174,827
Amount owed to parent undertaking	24,183	-
Amounts owed to fellow group undertakings	-	3,075
Accruals	1,742,128	399,882
Social security and other taxation	186,260	229,962
	<u>3,794,300</u>	<u>2,807,746</u>

13 Lease liabilities

	2022	2021
	£	£
Maturity analysis		
Within one year	139,673	15,367
In two to five years	201,769	34,146
Total undiscounted liabilities	<u>341,442</u>	<u>49,513</u>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022	2021
	£	£
Current liabilities	139,673	15,367
Non-current liabilities	201,769	34,146
	<u>341,442</u>	<u>49,513</u>

Amounts recognised in profit or loss include the following:

	2022	2021
	£	£
Interest on lease liabilities	<u>1,948</u>	<u>116</u>

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

14 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	232,308	190,908

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.

15 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Authorised				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
Issued and fully paid				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

16 Retained earnings

	2022	2021
	£	£
At the beginning of the year	(6,096,827)	(9,063,311)
(Loss)/profit for the year	(252,215)	2,966,484
At the end of the year	(6,349,042)	(6,096,827)

17 Capital risk management

The company is not subject to any externally imposed capital requirements.

18 Related party transactions

During the year the company entered into the following transactions with related parties:

	Group loan interest paid		Group interest receivable	
	2022	2021	2022	2021
	£	£	£	£
Parent company	581,217	581,310	38,000	28,150

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

18 Related party transactions

(Continued)

The loan interest is in relation to loans taken from Newrest Group International S.A.S (France). The rate of interest on all the loans are at 3% per annum. The company has obtained an Addendum to the Loan agreement and the new repayment date set at on or after 30 September 2025.

Extension of loan repayment

Newrest Group International S.A.S (France) have extended all the loan repayment dates and stated that they would not be recalled on their due dates if the company doesn't have sufficient funds to repay the loans.

Interest received on Group Loan

The company entered into loan agreement with Newrest Group International S.A.S (France). The rate of interest on all the loans are at 1% per annum on any unpaid principal of the loan.

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due to related parties		
Newrest Holding UK Limited	24,183	-

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due from related parties		
Newrest All Limited	1,136,861	785,527
Subsidiaries		7,391
	<u>1,136,861</u>	<u>792,918</u>

NEWREST INFLIGHT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

19 Cash generated from operations

	2022 £	2021 £
(Loss)/profit for the year after tax	(252,215)	2,966,484
Adjustments for:		
Finance costs	917,208	(629,625)
Loss on disposal of property, plant and equipment	1,181	-
Depreciation and impairment of property, plant and equipment	1,855,124	1,793,907
Movements in working capital:		
(Increase)/decrease in inventories	(188,834)	91,728
Decrease/(increase) in trade and other receivables	3,460,540	(2,996,229)
Increase/(decrease) in trade and other payables	986,554	(2,204,257)
Cash generated from/(absorbed by) operations	6,779,558	(977,992)