Momentum Services Limited

Annual report and accounts

Registered number 03874110

31 December 2018

Contents

Officers and professional advisers

Directors
Cristian Biasoni
David Cheeseman
Joseph N Zaidan
Fabio Croce-Sebastiani
Frank Whittaker

Secretary
Antonio Ghirarduzzi

Registered office
90a Tooley Street
London
SE1 2TH

Country of incorporation
United Kingdom

Legal form
Company Limited by Shares

Bankers
Barclays Bank Plc
54 Lombard Street
London
EC3P 3AH

Barclays Bank Plc
45 Boulevard Haussman
75009
Paris
France

KBC Bank
Succursale Louise
Avenue Louise 525-527
1050 Bruxelles
Belgium

Auditor
BDO LLP
55 Baker Street
London
W1U 7EU

Lawyers
Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH

Strategic report

Principal activities

The principal activity of the company is the provision of the railway restaurant and related services on board Eurostar trains running between London and Paris, London and Brussels, London and Amsterdam and to other destinations pursuant to a contract entered into with Eurostar International Limited ("Eurostar"). The company also operates the Business Premier Lounges and the on-board equipment management contracts with Eurostar.

Market overview and contracts

The company was awarded a new contract for a 7 year period signed on 11 December 2013. The new contract started on 1 June 2014 and expires on 31 May 2021. The new contract includes the on-board services, the Business Premier Lounge services, the on-board equipment management and the bar buffet. The Paris lounge services are subcontracted to Lounge Services SAS, a fellow subsidiary company incorporated in France.

During 2018, the business has experienced an increase in the level of activities with the launch of the Amsterdam route and the buoyant market in the inter-capital routes, especially in the Paris axis. The volumes of passengers increased by +9.2% year on year, the highest increases experience in the last decade and the volume of trains increased by 9.6% year on year. The positive trend of 2018 has continued in the beginning of 2019 and with the expected launch of third Amsterdam service from June, volumes of passengers and trains are expected to be at the same level of 2018.

However, the certainty of the future economic trends is currently under threat by Brexit and by its negotiations, which, at this stage, is still unclear and it could impact the company business, overall in the short and medium terms.

Amsterdam

On the 4th of April 2018, Eurostar launched a new route and travel destination with two daily direct services from London to Amsterdam. The company has signed an amendment to the current contract with Eurostar International Limited to operate the railway restaurant and related services on board the Eurostar trains similarly to the other Eurostar destinations. In order to provide these services Momentum Services has established a legal branch registered in the Netherlands with office premises in Amsterdam.

Results for the year

Profit after taxation for the financial year amounted to €1,862,416 *(2017: €1,249,000).*

The improvement in profit has been driven by the increase in volumes, by cost efficiency created through better labour cost scheduling and management and by the satisfactory performance bonus achieved throughout the year. Operating profit has increased to 3.2% (2017: 2.4%) of turnover, primarily as a result of higher performance bonus and lower levels of penalties from operating statement cost savings mechanism.

Key performance indicators

The main key performance indicators, as outlined in the Eurostar contracts (customers' satisfaction score and cost savings), show that the organisation has performed to expectations in 2018. The performance bonus score which is one for all services has maintained satisfactory levels in line with the old quality score of 95% of the management fee of the on-board contract.

Principal risks and uncertainties

Brexit

The company considers Brexit a principal risk approaching the 29 March 2019, the date when the United Kingdom is set to leave the European Union and with the significant uncertainty concerning the terms of the withdrawals. The company has introduced a specific task force dedicate to identify the key risks and exposure and to develop a plan in order to mitigate these risks. They key identified risks are:

Principal risks and uncertainties (continued)

Brexit (continued)

- Customs tariffs – introductions of WTO tariffs, loss to access to EU markets and increase in duty import charges.
- Supply chain friction – increase cost of stock piling and warehouse space.
- Labour mobility – difficulty to access the industry recruitment market and to find the required skilled labour
- Macroeconomic environment – drop in the value of sterling and potential decrease in valuation of assets.

The directors have been working to take the necessary measures to mitigate such risks and a specific plan has been put in place for the labour market implication, for the availability of goods and products for potential increases in food and beverage prices and for the currency exposure. The directors are constantly monitoring the outcome of the Brexit negotiation with any potential other risks that may arise from it.

Going concern risk

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in this report. The company is dependent on one source of income; that is income from contracts operated with Eurostar in relation to the provision of the railway restaurant and related services on board Eurostar trains running between London and Paris, London and Brussels and to other destinations. The company also operates the Business Premier Lounges and equipment contracts with Eurostar. At the balance sheet date all contracts have 2 years and 5 months to completion.

The directors consider that the provision of these contracts will provide sufficient resources for the company to continue to meet its liabilities as they fall due and as such the financial statements have been prepared on a going concern basis. The budget for 2019, approved by the Board of Directors in December 2018, indicates that the company is expected to maintain the current profitability for the next financial year. In addition, the directors have reviewed the forecasted cash flows of the company which indicate that cash flows will remain positive for at least twelve months from the date of the approval of the financial statements.

By order of the board,

David Cheeseman
Director
Date: 29/03/2019

Directors' report

Directors and their interests

The directors who served during the year and up to the date of this report were as follows:

Cristian Biasoni
David Cheeseman
Joseph N Zaidan
Fabio Croce-Sebastiani
Frank Whittaker

None of the directors hold any interest in the company. During the year Cristian Biasoni was directors of Chef Express S.p.A. His interests in Chef Express S.p.A. and Cremonini S.p.A. are disclosed in those companies' accounts.

Fabio Croce-Sebastiani's salary was paid by Momentum Services Limited and then re-charged to Chef Express S.p.A. for services related to Chef Express S.p.A. The outstanding balance owed to the company at 31 December 2018 in respect of these charges is €135,428 *(2017: €78,836)*. The total recharge for the year is €156,665 *(2017: €154,850)*.

Accounting framework

The company adopt FRS 101 'Reduced Disclosure Framework'. There are no changes in reporting compared to the previous year, 2018.

Ownership

The company is owned by Chef Express UK Limited, a company incorporated in England and Wales, which held 100% of the equity.

Dividend

Dividends totalling €1,250,000 were paid in 2018 to Chef Express UK *(2017: €1,550,000 to Chef Express UK)*.

A final dividend for the financial year of €1,800,000 *(2017: €1,250,000)* will be proposed at the forthcoming AGM. No provision for this dividend has been made at the Balance Sheet date.

Directors' insurance and indemnities

The Company has entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

Principal financial risk and uncertainty

In addition to the risks created by Brexit, as discussed on pages 4 and 5, the company activities expose it to a variety of financial risks. These risks are not exceptional or different in nature from those that are customary in the industry. The company seeks to minimise potential adverse effects on its financial performance.

(a) Market risk

(i) Foreign exchange risk

The company activities takes place in the United Kingdom and in the EURO countries, France, Belgium and The Netherlands. The company results and shareholders' equity are therefore affected by foreign exchange rates. The exchange risk is limited because transactions are denominated largely in the functional currencies of the subsidiaries. The associated risk is not hedged.

(ii) Price risk

The price risk is associated to the increase of the cost of material to produce food and drinks and to the inflationary price increases. The company has agreed a price indexation reimbursement clause with the client. The company takes a view that its currency policy on price risk is well balanced.

Directors' report (continued)

Principal financial risk and uncertainty (continued)

(b) Credit risk

The company's cash and cash equivalent are held in the banks accounts of each local countries where it operates. The company limit the associated credit risk as a result of the Group's policy to work only with respectable banks and financial institutions. The company has positive cash flow and it expect to continue for the next twelve months from the balance sheet date and beyond.

Overseas branches

The company has the following overseas branches:

- In France at the address 43 Rue de Dunquerke, 75010 Paris
- In Belgium at the address Frankrijkstraat - 95 Rue de France, B-1070 Brussels
- In The Netherlands at the address Carolina MacGillavrylaan 3402, 1098XJ Amsterdam

All European branches are carrying out Momentum activities in relation to the Eurostar contract for the France, Belgium and The Netherlands territories respectively.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that employees' views are taken into account when decisions are made that are likely to affect their interests. It ensures that all the employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through the house newspaper, newsletters and briefing groups.

Strategic report

In accordance with section S414C (11) of the Companies Act 2006, the company has produced a Strategic Report which is set out on page 4. Information on likely future developments in the business of the company has been included in the Strategic Report on pages 4 and 5.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including 'FRS 101 Disclosure Framework' 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;

Directors' report (continued)

Directors' responsibilities (continued)

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, BDO UK Audit LLP will be deemed to be re-appointed as auditor of the company.

Approval

The Directors' Report was approved by order of the Board on 29 March 2019.

Antonio Ghirarduzzi
Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOMENTUM SERVICES LIMITED

Opinion

We have audited the financial statements of Momentum Services Limited ("the Company") for the year ended 31 December 2018 which comprise the Statement of comprehensive income, Statement of financial position, Cash flow statement, 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 101 Reduced Disclosure Framework (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 31 December 2018 and of its profit 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOMENTUM SERVICES 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 and Director's report.

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

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

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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOMENTUM SERVICES LIMITED (CONTINUED)

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.

BDO LLP

Dominic Stammers (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
29 March 2019

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

Statement of comprehensive income
For the year ended 31 December 2018

	Note	2018 €'000	2017 €'000
Turnover	3	64,297	58,721
Other Income	3	31	82
Operating statement charges	3	1	(399)
Raw material and consumables		(20,753)	(19,390)
Depreciation	11	(412)	(343)
Other external charges		(7,368)	(6,944)
Staff costs	6	(32,781)	(29,388)
Other operating charges		(794)	(666)
Exchange differences	4	(107)	(216)
Operating profit		2,114	1,507
Interest payable and similar charges	8	(28)	(47)
Profit on ordinary activities before taxation		2,086	1,460
Tax on profit on ordinary activities	9	(224)	(211)
Profit for the financial year		1,862	1,249
Other comprehensive income:			
Exchange gains/(losses) arising on translation of foreign currency operations		(36)	(70)
Total comprehensive income		1,826	1,179

The results shown above are derived wholly from continuing operations.

The notes from page 16 form part of these financial statements.

Statement of financial position
At 31 December 2018

	Note	2018		2017	
		€'000	€'000	€'000	€'000
Fixed assets					
Intangible fixed assets	11		**78**		**53**
Tangible fixed assets	11		**627**		**858**
			705		**911**
Current assets					
Stock	12	**1,253**		**1,138**	
Debtors	13	**8,613**		**8,498**	
Shareholders loan	13	**960**		**-**	
Cash at bank and in hand		**3,170**		**2,816**	
		13,996		**12,452**	
Creditors: amounts falling due within one year	14	**(11,869)**		**(11,107)**	
Net current assets			**2,127**		**1,345**
Net assets			**2,832**		**2,256**
Capital and reserves					
Called up share capital	16		**269**		**269**
Redenomination reserve	17		**99**		**99**
Exchange reserve	17		**(511)**		**(475)**
Retained Earnings	17		**2,975**		**2,363**
Equity shareholders' funds	17		**2,832**		**2,256**

These financial statements were approved by the board of directors on 29 March 2019 and were signed on its behalf by:

Fabio Croce-Sebastiani
Director

The notes from page 16 form part of these financial statements.

Cash flow statement
For the year ended 31 December 2018

	Note	2018 €'000	2017 €'000
Cash flows from operating activities			
Profit for the financial year		**1,862**	**1,249**
Adjustment for:			
Depreciation	*11*	**412**	**343**
Interest paid		**28**	**47**
Taxation		**224**	**211**
(Increase)/Decrease in stocks		**(115)**	**(161)**
(Increase)/Decrease in debtors		**(220)**	**(832)**
Increase/(Decrease) in creditors		**7**	**(358)**
Cash from operations		**2,198**	**499**
Interest paid		**(28)**	**(47)**
Income tax paid		**(223)**	**(170)**
Net cash generated from operating activities		**1,947**	**282**
Cash flow from investing activities			
Purchase of tangible fixed assets	*11*	**(212)**	**(450)**
Net cash from investing activities		**(212)**	**(450)**
Cash flow from financing activities			
Dividend paid		**-**	**(669)**
Payments (to)/from shareholders loan		**(1,345)**	**783**
(Increase)/decrease in deposit		**-**	**-**
Net cash used in financing activities		**(1,345)**	**115**
(Decrease)/Increase in cash and cash equivalents		**390**	**(53)**
Cash and cash equivalents at beginning of period		**2,816**	**2,939**
Foreign exchange differences		**(36)**	**(70)**
Cash and cash equivalents at the end of the period	*21*	**3,170**	**2,816**

The notes from page 16 form part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2018

	Share Capital €'000	Redenomination Reserve €'000	Exchange Reserves €'000	Retained Earnings €'000	Total shareholder Funds €'000
At 1 January 2017	269	99	(404)	2,663	2,627
Exchange gains / losses	-	-	(71)	1	(70)
Dividends paid	-	-	-	(1,550)	(1,550)
Profit for the year	-	-	-	1,249	1,249
At 1 January 2018	269	99	(475)	2,363	2,256
Exchange gains / losses	-	-	(36)	-	(36)
Dividends paid	-	-	-	(1,250)	(1,250)
Profit for the year	-	-	-	1,862	1,862
At 31 December 2018	269	99	(511)	2,975	2,832

The notes from page 16 form part of these financial statements.

Notes to the financial statements
for year ended 31 December 2018

1 Accounting policies

Reporting entity

The company is incorporated and domiciled in the United Kingdom. These Financial Statements comprise the Company. The Company is operating the Eurostar contracts providing on-board, catering and business premier lounges services and management of on-board equipment. The company was incorporated on 22 December 1999 as private company limited by shares in the United Kingdom.

Statement of compliance

The company financial statement have been prepared in accordance with the applicable Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Framework.

Functional and presentational currency

These financial statements are presented in EURO currency (€), which is the company presentational currency. The functional currency of the company is pounds sterling in the United Kingdom and it is EURO in France, Belgium and The Netherlands. All amounts have been rounded are the nearest thousands, unless otherwise indicated.

Basis of preparation

These Financial Statement have been prepared on historical cost basis. The principal accounting policies adopted in the preparation of the financial statement are set out below. The accounting policies set out below have been applied consistently to all periods presented in these Financial Statement.

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- All disclosures required by IFRS 7;
- All disclosures required under IFRS 13;
- the effect of future accounting standards not yet adopted.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Cremonini S.p.A. These financial statements do not include certain/all disclosures in respect of business combinations

Changes in accounting policies

a) New standards, interpretations and amendments effective from 1 January 2018.

New standards have been adopted in the annual financial statement for the year ended 31 December 2018. These new IFRSs, which are applicable for the Company and which do not significantly affect these Financial Statement are:

- IFRS 9 Financial Instruments (IFRS 9) and
- IFRS 15 Revenue from contracts with Costumers (IFRS 15)

These standards have been applied in this annual financial statement and do not have a material impact on the Company and its subsidiaries as they are not relevant for the Company and the Group activities or require accounting which is consistent with the Company's current accounting policies

Notes to the financial statements
for year ended 31 December 2018

1. Accounting policies (continued)

Changes in accounting policies (continued)

b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by IASB that are effective in future accounting periods that the company has decided not to adopt early. The most significant of these is:

- IFRS 16 Leases (Mandatory effective for periods beginning on or after 1 January 2019

Adoption of IFRS 16 will result in the company recognising right to use assets and lease liabilities for all contracts that are, or contain, a lease. For the leases currently classified as operating leases, under current accounting requirements the company spreads the lease payments on a straight line basis over the lease term, disclosing in its annual financial statements the total commitment.

The Board has decided it will apply the modified retrospective adoption method in IFRS 16 and, therefore, will only recognised leases on balance sheet as at 1 January 2019. In addition, it has been decided to measure right –to-use assets by reference to the measurement of the lease liability on that date. The directors are still assessing the impact of the new standards.

Judgements and key areas of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the company's directors to exercise judgment in applying the company's accounting policies.

There have been no other material amendments to the disclosure requirements previously applied in accordance with applicable UK accounting standards. The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Computer software

Computer software is carried at cost less accumulated amortisation and any provision for impairment. Externally acquired computer software and software licences are capitalised and amortised on a straight-line basis over their useful lives of three to five years.

Tangible fixed assets and depreciation

Fixed assets are stated at cost net of depreciation. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery	-	3 to 5 years
Computer software	-	3 to 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location.

Notes to the financial statements
for year ended 31 December 2018

1 Accounting policies (continued)

Investments

Investments are stated at cost less provision for impairment.

Financial assets – loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Financial liabilities

Trade payables and other short-term liabilities are recognised at amortised cost.

Loan from group companies are recognised at amortised cost.

Share Capital

The company's ordinary shares are classified as equity instruments.

Dividends payable

Dividends are recognised when become legally payable. In the case of interim dividends to equity shareholders, this is when they are paid. In the case of final dividends, this is when approved by the shareholders at the AGM

Provisions

The company has recognised provisions for liabilities of uncertain timing. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Leased assets

Where substantially all of the risks and rewards incidental to ownership are not transferred to the company (an "operating lease"), the total rentals payable under the lease are charged to the statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised

Notes to the financial statements
for year ended 31 December 2018

1 Accounting policies (continued)

Deferred taxation (continued)

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settle/(recovered).

Foreign currencies
Transactions entered into by the company in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Exchange gains and losses arising on the retranslation of monetary available for sale financial assets are treated as a separate component of the change in fair value and recognised in profit or loss. Notes to the financial statements.

The company financial statements are presented in Euro currency in order to be aligned with the Group consolidated currency. Average FX rate is at 1.1305 *(2017: 1.1421)* and FX closing rate is at 1.1149 *(2017: 1.1270)* to convert the sterling data into Euro. The FX rates are provided by the Bank of England.

In the United Kingdom the functional currency of the entity is GBP sterling and in France, in Belgium and in The Netherlands the functional currency of these entities is EURO. The results and financial position of foreign operations where the currency is different to the functional currency are translated into the presentation currency using the following procedures:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement are translated at exchange rates at the dates of the transactions. Where this is impracticable, an average rate for the year may be used provided that exchange rates do not fluctuate significantly.

All resulting exchange differences are recognised as a separate component of equity and shown within the foreign exchange reserve.

Turnover
Turnover, which excludes value added taxes, represents the revenues for the provision of the catering and related services on board of Eurostar trains. Turnover is recognised on delivery of the service.

Pension costs

The company contributes to a defined contribution scheme for employees in the UK, France and Belgium. Pension costs are charged to the profit and loss account in the year in which they are accrued.

Going concern
The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the financial statements
for year ended 31 December 2018

2 Critical accounting estimates and judgements

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions do not carry a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Estimates and assumption

(a) Useful lives of plant and equipment and intangibles assets

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten then depreciation charges in the financial statement would increase and carrying amounts of plant and equipment would reduce accordingly. The carrying amount of plant and equipment by each class is included in note 11.

3 Turnover

Momentum Services Limited provides catering and related services on board Eurostar trains running between the United Kingdom, France and Belgium. The directors consider that the company operates in one geographical segment, being Europe.

Turnover arises from:

	2018 €'000	2017 €'000
Sales of goods	12,527	12,854
Provision of services	51,770	45,867
Other Income	31	82
Operating statement charge	1	(399)
	64,329	58,404

The other income is in respect of the research and development tax credit received by HMRC for €31,417 in 2017 *(€26,019 in 2015 and €56,195 in 2016)* in relation to the development of bespoke POS and on-board payment system solution.

The operating statement and ground revenue is in respect of the operating savings share fee levied as part of the on-board service and lounge contracts with Eurostar and in respect of profit share of sales at the bar buffet carriages.

Analysis of turnover by country of destination:

	2018 €'000	2017 €'000
United Kingdom	30,069	29,055
Rest of Europe	34,260	29,349
	64,329	58,404

Notes to the financial statements
for year ended 31 December 2018

4 Expenses by nature

Operating profit is stated after charging:

	2018	2017
	€'000	€'000
Staff costs (see note 6)	**32,781**	29,338
Management charges	**300**	300
Foreign exchange losses	**107**	216
Depreciation of fixed assets	**412**	343

5 Auditor remuneration

	2018	2017
	€'000	€'000
Fees for the audit of the company	**42**	38

6 Staff number and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2018	2017
Average number of persons employed:	**No.**	No.
Managers	**17**	17
Clerical staff	**68**	69
Full time crew	**505**	494
Part time crew	**121**	111
Lounge	**44**	43
Temporary staff	**29**	27
	784	761

	2018	2017
	€'000	€'000
Staff costs during the year		
Wages and salaries	**25,461**	22,573
Social security costs	**5,693**	5,260
Pension costs (see note 19)	**1,627**	1,505
	32,781	29,338

Notes to the financial statements

for year ended 31 December 2018

7 Remuneration of directors

The aggregate remuneration of the individual directors of Momentum Services Limited for the year ended 31 December 2018 was as follows:

	2018	2017
	€'000	€'000
Directors' emoluments	**9**	9

The chairman was employed by the company during the financial year and the emoluments disclosed above are for his services as chairman. All other directors served as directors of either the ultimate parent undertaking, other group companies or related parties. The emoluments of these directors have been borne by other group companies or related parties, and were not recharged to the company. Accordingly, the aggregate emoluments figures do not include any emoluments for these directors. None of the directors had any pension contributions made to them by the company.

Fabio Croce-Sebastiani's salary was paid by Momentum Services Limited and then re-charged to Chef Express S.p.A. for services related to Chef Express S.p.A. The outstanding balance owed to the company at 31 December 2018 in respect of these charges is €135,428 *(2017: €78,836)*. The total recharge for the year is €156,665 *(2017: €154,850)*.

8 Finance income and finance expenses

Interest payable and similar charges

	2018	2017
	€'000	€'000
Interest on bank accounts and overdrafts	**28**	47

Notes to the financial statements
for year ended 31 December 2018

9 Taxation

a) Analysis of charge in period:

	2018 €'000	2017 €'000
UK corporation tax		
Current tax on income for the period	200	141
Double taxation relief	(200)	(80)
Adjustment in respect of prior years	-	(25)
	-	36
Foreign tax		
Current tax on income for the period	231	166
Adjustments in respect of prior years	(1)	-
Total current tax	230	202
Deferred tax		
UK deferred tax	(13)	21
Impact of reduction in UK tax rate	1	1
Adjustments in respect of prior years	6	(13)
Total deferred tax	(6)	9
Tax on profit on ordinary activities	**224**	**211**

b) Factors affecting the current tax charge for the current year:

The tax charge for the current year is lower at 10.54% *(2017: 17.97%)* than the standard rate of corporation tax in the UK of 19%, *(2017: 19.25%)* applied to the profit on ordinary activities before tax. The differences are explained below:

	2018 €'000	2017 €'000
Profit on ordinary activities before tax	**2,054**	1,378
UK corporation tax at 19.00% *(2017: 19.25%)* of profit	**396**	265
Effects of:		
Group relief from group companies lower than UK tax rate	**(200)**	(46)
Depreciation in excess of/(less than) capital allowances for the period	**23**	(32)
Deferred tax assets	**(6)**	9
Other short term timing differences – pension	**(3)**	12
Permanent disallowance	**(72)**	(72)
Higher rates on overseas earnings	**87**	86
Adjustments to tax charge in respect of previous periods	**(1)**	(11)
Total tax expense (see above)	**224**	211

c) Factors that may affect future tax charges:

At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax main rate (for all profits except ring fence profits) for the year starting 1 April 2020, setting the rate at 17%.

Notes to the financial statements *(continued)*
for year ended 31 December 2018

10 Dividends

	2018 €'000	2017 €'000
Total dividends paid	**1,250**	1,550

The dividend paid in 2018 was €5.56 per share *(2017: €6.89 per share)* totalling to €1,250,000 *(2017: €1,550,000)* being the final dividend in respect of the year ended 31 December 2017.

The directors are proposing a final dividend of €8.00 *(2017: €5.56)* per share totalling €1,800,000 *(2017: €1,250,000)* at the forthcoming AGM but have not been approved at the Balance Sheet date. This dividend has not been accrued in the statement of financial position.

11 Fixed assets

	Tangible Assets €'000	Intangible Assets €'000	Total €'000
Cost			
At 1 January 2018	**2,228**	**377**	**2,605**
Additions	155	57	212
Effect of exchange rate	(23)	(3)	(26)
At 31 December 2018	**2,360**	**431**	**2,791**
Depreciation			
At 1 January 2018	**(1,370)**	**(324)**	**(1,694)**
Charge for the year	(380)	(32)	(412)
Effect of exchange rate	17	3	20
At 31 December 2018	**(1,733)**	**(353)**	**(2,086)**
Net book value			
At 31 December 2018	**627**	**78**	**705**
At 31 December 2017	**858**	**53**	**911**

Notes to the financial statements *(continued)*
for year ended 31 December 2018

12 Stock

	2018 €'000	2017 €'000
Raw material and consumables	**418**	304
Finished goods for resale	**835**	834
	1,253	1,138

13 Debtors

	2018 €'000	2017 €'000
Trade debtors	**614**	1,007
Prepayments and accrued income	**5,098**	5,152
Amounts owed by group undertakings and related party (note 22)	**383**	249
Other debtors	**2,487**	2,059
Deposit	**31**	31
Shareholders loan (note 22)	**960**	-
	9,573	8,498

Given the history of recoverability, expected credit loss is considered immaterial and as such no provision has been recognised against trade debtors.

The ultimate parent company has provided guarantees for the recoverability of the shareholders loans and amounts owed by group undertakings and related party. As such no provision has been recognised against this balance. The directors have considered the credit risk regarding intercompany receivables including reliance on the guarantee and on this basis no provision has been made against these balances in respect of any expected credit losses

14 Creditors: amounts falling due within one year

	2018 €'000	2017 €'000
Trade creditors	**3,626**	3,479
Corporation tax	**129**	118
Shareholders loan (note 22)	**-**	385
Amounts owed to group undertakings and related parties (note 22)	**834**	615
Other taxation and social security	**2,473**	2,323
Deferred tax (note 15)	**17**	23
Accruals and deferred income	**4,790**	4,164
	11,869	11,107

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

15 Deferred taxation

	2018	2017
	€'000	€'000
Accumulated depreciation in excess of capital allowances	**(31)**	(35)
Other short term timing differences	**14**	12
	(17)	(23)

	€'000
At 1 January 2018	(23)
Charge to profit and loss account for current year	13
Credit to profit and loss account – impact of exchange rate	(1)
Credit to profit and loss account in respect of prior years	(6)
At 31 December 2018	**(17)**

16 Called up share capital

	2018	2017
	€'000	€'000
Authorised		
225,000 Ordinary shares of €1.1967 each	**269**	269
Allotted, called up and fully paid		
225,000 Ordinary share of €1.1967 each	**269**	269

Total shares issued are 225,000 with an aggregate nominal value of €269,257.

At the balance sheet date Ordinary shares were held by Chef Express UK Limited (225,000 shares with aggregate nominal value of €269,257).

17 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Share capital	Nominal value of share capital subscribed for.
Redenomination reserve	Redenomination of share capital from sterling to EURO currency
Exchange reserve	Foreign exchange gains and losses on capital reserves
Retained earnings	All other net gains and losses and transactions with owners (eg dividends) not recognised elsewhere.

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

18 Commitments under operating leases

The total future value of minimum lease payments is due as follows:

	2018 €'000	2017 €'000
Not later than 1 year	**498**	502
Later than 1 year and not later than 5 years	**705**	1,552
	1,203	2,054

The decrease in the commitments under operating leases is related to the remaining time of the Eurostar contract set to end on 31 May 2021.

19 Pension commitments and retirement benefits

The company pays into a number of defined contribution schemes in England, France and Belgium, the countries in which the company has employees. The contribution rates vary according to the scheme, with some employees being allowed to choose schemes and select the level of personal and company contributions.

The pension cost charge of €1,627,000 *(2017: €1,505,000)* represents contributions payable by the company to the fund.

The amount outstanding at the year end in respect of these contributions was €345,606 *(2017: €312,884)*.

20 Reconciliation of net cash flow to movement in net funds

	2018 €'000	2018 €'000	2017 €'000	2017 €'000
Increase/(Decrease) in cash in the year	**354**		**(123)**	
Movement in loan less than one year	**1,345**		**(783)**	
Movement in deposit	-		-	
Change in funds resulting from cash flows	**1,699**		**(906)**	
Movement in net funds		1,699		**(906)**
Net funds at 1 January 2018		2,462		**3,368**
Net funds at 31 December 2018		**4,161**		**2,462**

Notes to the financial statements *(continued)*

for the year ended 31 December 2018

21 Analysis of net funds

	At 1 January 2018 €'000	Cash Flows €'000	Exchange differences €'000	**At 31 December 2018 €'000**
Cash at bank and in hand	**2,816**	390	(36)	**3,170**
Deposit	**31**	-	-	**31**
Loan to/from the shareholders	**(385)**	1,345	-	**960**
	2,462	1,735	(36)	**4,161**

Security is granted to the Company's bankers over certain cash balances held.

22 Related party disclosures

Transactions with group companies

During the year the Company entered into the following transactions with fellow group undertakings which are wholly owned members of the group headed by Cremonini S.p.A.:

	2018 €'000	2017 €'000
Amounts owed by fellow group undertakings	**383**	249
Amounts owed to fellow group undertakings	**834**	615

At the balance sheet date the company has a creditor balance of €401,052 *(2017: €376,804)* with Lounge Service S.A.S. in relation to the sub-contract of the Business Premier Lounge in Paris.

At the balance sheet date the company has a debtor balance of €218,476 *(2017: €102,155)* with Lounge Service S.A.S. in relation to the sub-contract of the Business Premier Lounge in Paris.

At the balance sheet date the company has an outstanding creditor balance of €10,000 *(2017: €5,000)* with the ultimate parent company, Cremonini S.p.A. for insurance services.

At the balance sheet date the company has an outstanding debtor balance of €16,157 *(2017: 68,121)* with Railrest S.A. with regards to general business costs.

At the balance sheet date the company has an outstanding creditor balance of €10,791 *(2017:7940)* with Railrest S.A. with regards to general business costs.

At the balance sheet date the company has an outstanding creditor balance of €40,136 *(2017: nil)* with The Great American Bagel Factory Limited with regards to general business costs.

At the Balance sheet date the company has an outstanding debtor balance of €12,603 *(2017: nil)* with The Great American Bagel Factory with regards to the audit fees invoiced by BDO LLP.

Fabio Croce-Sebastiani's salary was paid by Momentum Services Limited and then re-charged to Chef Express S.p.A. for services related to Chef Express S.p.A (note 6). At the balance sheet the amount owed to Momentum Services Limited is €135,429.

Notes to the financial statements *(continued)*

for the year ended 31 December 2018

22. *Related party disclosures (continued)*

The shareholders (or associated companies of the shareholders) have charged management fees with regard to the provision of financial, legal and general business services in 2018 of €372,000 *(2017: €300,000 Chef Express S.p.A.)*. €300,000 was charged by Chef Express S.p.A. at 31 December 2018 in the respect of management fees, €372,000 *(2017: €300,000)* was due to Chef Express S.p.A at the balance sheet date. These amounts are included within creditors due within one year (note 14).

Transactions with parent company

	2018 €'000	2017 €'000
Amounts owed to/(from) parent company	**(960)**	385

At the balance sheet date the company is fully 100% owned by Chef Express UK Limited, a subsidiary of Chef Express S.p.A.

The company entered in to an agreement for an intercompany credit facility with group parent company. At the balance sheet date the facility has been withdrawn by Chef Express UK Limited for €960,000 *(2017: €385,000 owned by Momentum Services Limited)* (notes 13 and 14).

23. Ultimate parent company and control

The immediate parent undertaking at the balance sheet date is Chef Express UK Limited, a company incorporated and registered in the United Kingdom.

Chef Express UK Limited is owned 100% by Chef Express S.p.A., a company incorporated and registered in Italy.

The smallest and largest group into which the company's results are consolidated are those of the ultimate parent company, Cremonini S.p.A, whose accounts can be obtained from the Company Secretary, Via Modena 53, 41014 Castelvetro di Modena, Italy.