

Annual Report and Financial Statements

Edwin Investments Limited

Edwin Investments Limited

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Year Ended

31 December 2018

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Company Number 04847717

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The company is a limited liability company registered in England and Wales. The company is a subsidiary of Edwin Investments Limited.

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Edwin Investments Limited

Report and financial statements for the year ended 31 December 2018

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Directors

T J Harris
A J Mallows
J C S Dent

Registered office

Ashwood Court, Springwood Close, Tytherington Business Park, Macclesfield, SK10 2XF.

Company number

04847717

Independent auditors

BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT

Edwin Investments Limited

Strategic report for the year ended 31 December 2018

The Directors present their strategic report together with the audited financial statements for the year ended 31 December 2018.

Principal activities, review of business and future developments

The principal activity of the Company in the year under review was the provision of management services to its wholly owned subsidiary Company, ChipsAway International Limited.

The results for the year to 31 December 2018 show a pre-tax profit of £1,192,080 (2017 - 505,680).

Following a review of the companies within the group, during the year the assets of the business were transferred to the ultimate parent company, Franchise Brands plc.

Principal risks and financial instruments

Business risks

During the year the company became dormant following its assets being transferred to the ultimate parent company, Franchise Brands plc. As a result the business is not subject to normal trading risk factors going forward.

This report was approved by the board on 20/08/19 and signed on its behalf.



J C S Dent
Director

Edwin Investments Limited

Directors' report for the year ended 31 December 2018

The Directors present their report together with the audited financial statements for the year ended 31 December 2018.

Results and dividends

The profit for the year, after taxation, amounted to £1,192,080 (2017 - £505,680).

Dividends of £1,445,874 (2017 - £500,000) were paid during the year. The Directors do not recommend the payment of a final dividend.

A review of the business and future developments is set out within the strategic report.

Directors

The Directors who served during the year and up to the date of approval of these financial statements were:

T J Harris
A J Mallows
J C S Dent

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Directors' responsibilities statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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; 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 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.

Edwin Investments Limited

Directors' report for the year ended 31 December 2018 (*continued*)

Disclosure of information to auditors

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20/01/19 and signed on its behalf.



J C S Dent
Director

Edwin Investments Limited

Independent auditor's report

TO THE MEMBERS OF EDWIN INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Edwin Investments Limited ("the Company") for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 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 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. 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.

Edwin Investments Limited

Independent auditor's report (*continued*)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 2, 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.

Edwin Investments Limited

Independent auditor's report (*continued*)

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.

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

Gary Harding (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

Date: 27 August 2017

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

Edwin Investments Limited

Statement of comprehensive income for the year ended 31 December 2018

	Note	2018 £	2017 £
Other income	3	-	-
Administrative expenses		(289)	(2,724)
Operating loss	4	(289)	(2,724)
Income from fixed asset investments		1,192,369	500,000
Profit before tax		1,192,080	497,276
Tax on profit	7	-	8,404
Profit and total comprehensive income for the year		1,192,080	505,680

The notes on pages 10 to 16 form part of these financial statements.

Edwin Investments Limited

Statement of financial position as at 31 December 2018

Company number: 04847717	Note	2018	2018	2017	2017
		£	£	£	£
Fixed assets					
Investments	9				1,606,015
Current assets					
Debtors: amounts falling due within one year	10	306,628	Operating loss	153,131	
Cash at bank and in hand		-		11,090	
		<u>306,628</u>		<u>164,221</u>	
Creditors: amounts falling due within one year	11	-	Profit before tax	(1,209,814)	
			Tax on profit		
Net current assets/(liabilities)			306,628		(1,045,593)
Total assets less current liabilities			306,628		560,422
Net assets			306,628		560,422
Capital and reserves					
Called up share capital	13		2,925		2,925
Share premium account			303,489		303,489
Profit and loss account			214		254,008
Shareholders' funds			306,628		560,422

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


J C S Dent
Director

20/08/19

The notes on pages 10 to 16 form part of these financial statements.

Edwin Investments Limited

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

	Share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2018	2,925	303,489	254,008	560,422
Comprehensive income for the year				
Profit for the year	-	-	1,192,080	1,192,080
Total comprehensive income for the year	-	-	1,192,080	1,192,080
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(1,445,874)	(1,445,874)
Total transactions with owners	-	-	(1,445,874)	(1,445,874)
At 31 December 2018	2,925	303,489	214	306,628

Statement of changes in equity for the year ended 31 December 2017

	Share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2017	2,925	303,489	248,328	554,742
Comprehensive income for the year				
Profit for the year	-	-	505,680	505,680
Total comprehensive income for the year	-	-	505,680	505,680
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(500,000)	(500,000)
Total transactions with owners	-	-	(500,000)	(500,000)
At 31 December 2017	2,925	303,489	254,008	560,422

Reserves:

Called up share capital represents the nominal value of the shares issued.

The share premium account represents the excess received over the nominal value of shares issued.

The profit and loss account represents cumulative profits or losses, net of dividends paid.

The notes on pages 10 to 16 form part of these financial statements.

Edwin Investments Limited

Notes forming part of the financial statements for the year ended 31 December 2018

1 Accounting policies

Edwin Investments Limited is a private Company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activity is set out in the strategic report.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The financial statements are presented in Sterling as that is the primary economic environment in which the Company operates.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been consistently applied:

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation, paragraph 3.17(d);
- the requirements of Section 11 Basic Financial Instruments, paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments, paragraphs 12.26 to 12.29; and
- the requirements of Section 33 Related Party Disclosures, paragraph 33.7.

This information is included in the consolidated financial statements of Franchise Brands plc as at 31 December 2018 and these financial statements may be obtained from Companies House.

Edwin Investments Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

1 Accounting policies (*continued*)

Consolidated financial statements

The financial statements contain information about Edwin Investments Limited as an individual Company and do not contain consolidated financial information as the parent of a Group. The Company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated financial statements of its parent Franchise Brands plc.

Other income

Other income represents income from the provision of management services and is recognised as the services are provided.

Valuation of investments

Investments in subsidiaries are measured at cost less provision for any permanent impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade payables are measured at their transaction price.

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other receivables and payables.

Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

Edwin Investments Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities and are not readily apparent from other sources.

Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material misstatement to the carrying amount of assets and liabilities are:

Carrying value of investments

Investments in subsidiaries are measured at cost less any permanent impairment. Impairment is judged on the basis of the present value of future cash flows expected to flow from the subsidiaries, based on approved budgets and forecasts. Differences between the forecasts used to arrive at the net present value and actual outturn could result in significant changes to the carrying value of investment balances.

3 Other income

Other income is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

4 Operating profit

Auditor's remuneration is borne by the Company's ultimate parent undertaking.

Edwin Investments Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

5 Employees

	2018 £	2017 £
Staff costs, including Directors' remuneration, were as follows:		
Wages and salaries	-	-
Social security costs	-	-
Other pension costs	-	-
	<u>-</u>	<u>-</u>
	-	-
	<u>-</u>	<u>-</u>

The average monthly number of employees, including Directors, during the year was as follows:

	2018 Number	2017 Number
Employees	2	2
	<u>2</u>	<u>2</u>

6 Directors' remuneration

	2018 £	2017 £
Director's emoluments	-	-
	<u>-</u>	<u>-</u>

There was no Director in the Company's defined contribution pension scheme during the year (2017 - none).

Directors' emoluments are now borne by the Company's parent undertaking.

Edwin Investments Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

7 Taxation on profit from ordinary activities

	2018 £	2017 £
Corporation tax		
Group relief	-	(524)
Current tax on profits for the year	-	-
Adjustments in respect of previous periods	-	(7,880)
	<hr/>	<hr/>
Total current tax	-	(8,404)
	<hr/>	<hr/>
Factors affecting tax (credit)/charge for the year		

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	1,192,080	497,276
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	226,495	95,726
Effects of:		
Income not taxable	(226,495)	(96,250)
Adjustments in respect of previous periods	-	(7,880)
Other differences	-	-
	<hr/>	<hr/>
Total tax (credit) for year	-	(8,404)
	<hr/>	<hr/>

Factors that may affect future tax charges

The 2016 budget confirmed that the UK corporation tax rate will reduce to 19% to apply from 1 April 2017 and to 17% from 1 April 2020. This will reduce the Company's future tax charge accordingly.

8 Dividends

	2018 £	2017 £
Ordinary shares		
Dividend paid of £123.58 (2017 - £42.74) per share	1,445,874	500,000
	<hr/>	<hr/>

Edwin Investments Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

9 Fixed asset investments

	Investments in subsidiary undertakings £
<i>Cost</i>	
At 1 January 2018	1,606,015
Disposal	(1,606,015)
	<hr/>
At 31 December 2018	-
	<hr/>
<i>Net book value</i>	
At 31 December 2018	-
	<hr/>
At 31 December 2017	1,606,015
	<hr/>

Subsidiary undertakings

During the year Edwin Investments Limited disposed of its entire holding in ChipsAway International Limited at net book value.

10 Debtors

	2018 £	2017 £
Amounts owed by Group undertakings	306,627	151,297
Group relief	-	524
Other debtors	-	1,310
Corporation tax	1	-
	<hr/>	<hr/>
	306,628	153,131
	<hr/>	<hr/>

The impairment loss recognised within the statement of comprehensive income for the year in respect of bad and doubtful trade and other debtors was £Nil (2017 - £Nil).

Edwin Investments Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

11 Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed to Group undertakings	-	1,209,814
Corporation tax	-	-
Other creditors	-	-
	<u>-</u>	<u>1,209,814</u>

12 Financial Instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at amortised cost	<u>306,627</u>	<u>163,697</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>-</u>	<u>(1,209,814)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, amounts owed by Group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise amounts owed to Group undertakings and other creditors.

13 Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
11,700 Ordinary shares of £0.25 each	<u>2,925</u>	<u>2,925</u>

14 Pension commitments

The Company operates a defined pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £Nil (2017 - £Nil). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

15 Ultimate parent Company

The largest and smallest Group in which the results of the Company are consolidated is that headed by Franchise Brands plc, incorporated in the United Kingdom. The consolidated accounts of this Company are available to the public and may be obtained from Companies House. No other Group accounts include the results of the Company.