

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018  
FOR  
EUPHORIUM BAKERY COMPANY LIMITED**

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**EUPHORIUM BAKERY COMPANY LIMITED**

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FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

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**EUPHORIUM BAKERY COMPANY LIMITED**

**COMPANY INFORMATION  
FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

**DIRECTORS:**

C C J Copner  
A T L Woodruff  
I A Malik

**REGISTERED OFFICE:**

Unit K Ashville Trading Estate  
The Runnings  
Cheltenham  
Gloucestershire  
GL51 9PT

**REGISTERED NUMBER:**

10355356 (England and Wales)

**AUDITORS:**

Randall & Payne LLP  
Chartered Accountants  
and Registered Auditor  
Chargrove House  
Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4GA

## **EUPHORIUM BAKERY COMPANY LIMITED**

### **STRATEGIC REPORT FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

The directors present their strategic report for the period 30 January 2017 to 28 January 2018.

#### **REVIEW OF BUSINESS**

Euphorium Bakery Company Limited ("EBCL", the "Company") was incorporated in September 2016 for the purpose of acquiring the trade and assets of Euphorium (North London) Limited from Tesco plc, including the assignment of six leasehold premises. The transfer of assets and lease assignment process was completed on 7 December 2016, with operational responsibility, risk and reward for business trading transferring on the same date.

EBCL is now a principal trading company in the BTC Hospitality group of companies ("BTC Hospitality"). BTC Hospitality was established during 2016 following the two corporate acquisitions of EBCL and Apostrophe Restaurants Limited ("ARL"), to sit alongside the existing Soho Coffee Shops Limited ("SCSL") trading company under the renamed holding company, BTC Hospitality Investments Limited.

EBCL currently has a managed store portfolio of six Euphorium branded stores in London. BTC Hospitality, including EBCL, is owned and funded by its Qatari ultimate beneficial owner Business Trading Company W.L.L. ("BTC Qatar"). BTC Qatar is a major retail, hospitality and property organisation, based in Qatar with operations across the Middle East, and with approximately \$1 billion assets under management. BTC Qatar is committed to further investment in the UK market, and will fund the ambitious stores and infrastructure capital expenditure program of BTC Hospitality over the next several years.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

##### **Company risks**

Within the context of the BTC Hospitality group, funded by BTC Qatar EBCL continues to invest in the expansion of its operated store portfolio along with other strategic investment in new product development, IT infrastructure, supply chain and logistics. During this period of planned group restructuring, EBCL has and is expected to continue to incur operating losses for a limited period of time.

While there is a degree of uncertainty over the timing and extent of the investment phase, the Directors consider the solvency and liquidity risks associated with the current loss-making position to be fully mitigated by the ongoing financial support of BTC Qatar.

The Company is fully funded by [a series of shareholder loans], and has no external third party financial debt.

##### **Market and economic risks**

EBCL operates in the UK food and beverage retail market, and is subject to the full range of market and economic risks and uncertainties, including specific risks associated with underlying consumer spending trends and cycles. In particular, the Directors note the following market risks and uncertainties relevant to the Company.

In addition to general economic uncertainty over future levels of consumer demand and supply side issues, the impact on the business of the Brexit process and the UK's pending withdrawal from the European Union is currently unclear. In particular, there is uncertainty over the extent to which purchasing and import costs may increase as a result of Brexit, as well as the long term implications for the labour market, particularly in London.

Labour costs and regulatory burden in the UK market. Notable examples of increasing costs include: continuing increases to the National Living Wage, auto-enrolment pension contributions, and the Apprenticeship Levy.

The high level of overall competition for customers, staff and property opportunities in the UK food and beverage market. In particular, securing new, and extending existing property lease agreements on acceptable commercial terms is key for the business to continue to grow and be profitable in the future.

## **EUPHORIUM BAKERY COMPANY LIMITED**

### **STRATEGIC REPORT**

**FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

#### **DEVELOPMENT AND PERFORMANCE**

The year ended 28 January 2018 was a year of evolution and development for the Euphorium brand and business. A new interpretation of the brand and concept was commissioned and has been tested in the market at the St. Christopher's Place site near London's Oxford Street, which was converted from the legacy Apostrophe portfolio in May/June 2017. The new store has had mixed trading success since opening, with further investment now being made to refine the concept and harmonise this across all six existing Euphorium stores, and any new store openings the board may sanction in 2018.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

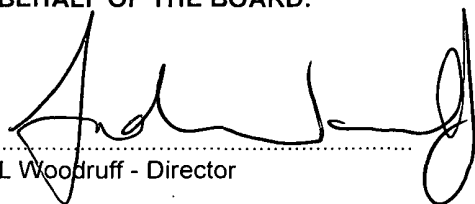
The standalone financial performance of EBCL presented in these accounts for the comparative prior year period is the statutory 5-month period since incorporation of EBCL, and covers the period from 1 September 2016 to 29 January 2017.

EBCL is consolidated within the group accounts of BTC Hospitality from 1 September 2016 in the comparative prior year period.

The statement of comprehensive income is set out on page 9 and shows the loss for the period of £2,277,119 (period ending 29 January 2017 - loss £535,640).

Revenue from continuing operations for the period was £2,716,316 (period ending 29 January 2017 - £348,017).

**ON BEHALF OF THE BOARD:**



A T L Woodruff - Director

Date: 13 June 2018

## **EUPHORIUM BAKERY COMPANY LIMITED**

### **REPORT OF THE DIRECTORS FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

The directors present their report with the financial statements of the company for the period 30 January 2017 to 28 January 2018.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of other food service activities.

#### **DIVIDENDS**

No dividends will be distributed for the period ended 28 January 2018.

#### **RESEARCH AND DEVELOPMENT**

EBCL has food innovation and product development resource based at the CPU of its sister company, SCSL, in Cheltenham, which now produces product for sale at Euphorium stores. The directors seek continually to refresh and update the bakery, patisserie and savoury menu in Euphorium stores.

#### **FUTURE DEVELOPMENTS**

The Directors intend to execute the planned high level of investment in Euphorium branded stores, through: (i) origination of new property site opportunities; (ii) conversion one remaining legacy Apostrophe site at Canary Wharf; and (iii) refurbishment of the existing Euphorium portfolio.

The decision was taken in late 2017 to close and dispose of the central production unit ("CPU") in Islington, which had become uneconomic to operate given the current scale and logistical arrangements of the BTC Hospitality group. Production at the CPU ceased in February 2018, and options for disposal of the site are currently under consideration.

The Directors continue to monitor all opportunities to develop and grow the business, including potential wholesale business from the central production unit, development of Euphorium franchise operations in the UK and abroad, and further corporate acquisitions.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 30 January 2017 to the date of this report.

C C J Copner  
A T L Woodruff

Other changes in directors holding office are as follows:

I A Malik - appointed 1 December 2017

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**EUPHORIUM BAKERY COMPANY LIMITED**

**REPORT OF THE DIRECTORS**

**FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

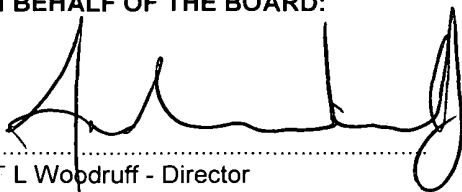
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Randall & Payne LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

  
.....  
A T L Woodruff - Director

Date: 13 June 2018

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EUPHORIUM BAKERY COMPANY LIMITED**

### **Opinion**

We have audited the financial statements of Euphorium Bakery Company Limited (the 'company') for the period ended 28 January 2018 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 January 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Auditors' 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 in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

### **Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EUPHORIUM BAKERY COMPANY LIMITED

### 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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

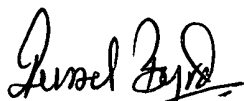
As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to 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.

### Our 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



Russel Byrd FCA FCCA (Senior Statutory Auditor)  
for and on behalf of Randall & Payne LLP  
Chartered Accountants  
and Registered Auditor  
Chargrove House  
Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4GA

Date: 20<sup>th</sup> June 2018

**EUPHORIUM BAKERY COMPANY LIMITED**

**STATEMENT OF PROFIT OR LOSS  
FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

	Notes	PERIOD 30/1/17 TO 28/1/18 £	PERIOD 1/9/16 TO 29/1/17 £
<b>CONTINUING OPERATIONS</b>			
Revenue		2,716,316	348,017
Cost of sales		<u>(1,096,719)</u>	<u>(182,460)</u>
<b>GROSS PROFIT</b>		1,619,597	165,557
Other operating income		3,455	-
Administrative expenses		<u>(3,803,993)</u>	<u>(692,998)</u>
<b>OPERATING LOSS</b>		(2,180,941)	(527,441)
Finance costs	4	<u>(96,178)</u>	<u>(8,199)</u>
<b>LOSS BEFORE INCOME TAX</b>	5	(2,277,119)	(535,640)
Income tax	6	<u>-</u>	<u>-</u>
<b>LOSS FOR THE PERIOD</b>		<u>(2,277,119)</u>	<u>(535,640)</u>

The notes form part of these financial statements

**EUPHORIUM BAKERY COMPANY LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

	PERIOD 30/1/17 TO 28/1/18 £	PERIOD 1/9/16 TO 29/1/17 £
LOSS FOR THE PERIOD	(2,277,119)	(535,640)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(2,277,119)</u>	<u>(535,640)</u>

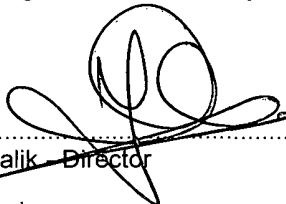
The notes form part of these financial statements

**EUPHORIUM BAKERY COMPANY LIMITED (REGISTERED NUMBER: 10355356)**

**STATEMENT OF FINANCIAL POSITION  
28 JANUARY 2018**

	Notes	2018 £	2017 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	<u>793,860</u>	<u>43,582</u>
<b>CURRENT ASSETS</b>			
Inventories	8	83,169	26,809
Trade and other receivables	9	268,298	521,523
Cash and cash equivalents	10	<u>79,934</u>	<u>756,215</u>
		<u>431,401</u>	<u>1,304,547</u>
<b>TOTAL ASSETS</b>		<u><u>1,225,261</u></u>	<u><u>1,348,129</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	11	100	100
Retained earnings	12	<u>(2,812,759)</u>	<u>(535,640)</u>
<b>TOTAL EQUITY</b>		<u>(2,812,659)</u>	<u>(535,540)</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	13	<u>3,033,660</u>	<u>1,008,199</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	900,443	771,653
Provisions	15	<u>103,817</u>	<u>103,817</u>
		<u>1,004,260</u>	<u>875,470</u>
<b>TOTAL LIABILITIES</b>		<u>4,037,920</u>	<u>1,883,669</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,225,261</u></u>	<u><u>1,348,129</u></u>

The financial statements were approved by the Board of Directors on 13 JUNE 2018 and were signed on its behalf by:

  
.....  
I A Malik - Director

The notes form part of these financial statements

**EUPHORIUM BAKERY COMPANY LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

	Called up share capital £	Retained earnings £	Total equity £
<b>Changes in equity</b>			
Issue of share capital	100	-	100
Total comprehensive income	<u>-</u>	<u>(535,640)</u>	<u>(535,640)</u>
<b>Balance at 29 January 2017</b>	<u>100</u>	<u>(535,640)</u>	<u>(535,540)</u>
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>(2,277,119)</u>	<u>(2,277,119)</u>
<b>Balance at 28 January 2018</b>	<u>100</u>	<u>(2,812,759)</u>	<u>(2,812,659)</u>

The notes form part of these financial statements

**EUPHORIUM BAKERY COMPANY LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

		PERIOD 30/1/17 TO 28/1/18 £	PERIOD 1/9/16 TO 29/1/17 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(1,884,188)</u>	<u>(560,404)</u>
Net cash from operating activities		<u>(1,884,188)</u>	<u>(560,404)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(817,554)</u>	<u>(45,082)</u>
Net cash from investing activities		<u>(817,554)</u>	<u>(45,082)</u>
<b>Cash flows from financing activities</b>			
New loans in year		2,025,461	1,361,601
Share issue		<u>-</u>	<u>100</u>
Net cash from financing activities		<u>2,025,461</u>	<u>1,361,701</u>
		<u>                    </u>	<u>                    </u>
(Decrease)/increase in cash and cash equivalents		(676,281)	756,215
Cash and cash equivalents at beginning of period	2	<u>756,215</u>	<u>-</u>
Cash and cash equivalents at end of period	2	<u><u>79,934</u></u>	<u><u>756,215</u></u>

The notes form part of these financial statements

**EUPHORIUM BAKERY COMPANY LIMITED**

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

**1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	PERIOD 30/1/17 TO 28/1/18 £	PERIOD 1/9/16 TO 29/1/17 £
Loss before income tax	(2,277,119)	(535,640)
Depreciation charges	67,276	1,500
Finance costs	96,178	8,199
	<u>(2,113,665)</u>	<u>(525,941)</u>
Increase in inventories	(56,360)	(26,809)
Decrease/(increase) in trade and other receivables	253,225	(521,523)
Increase in trade and other payables	32,612	513,869
	<u>(1,884,188)</u>	<u>(560,404)</u>
<b>Cash generated from operations</b>	<b>(1,884,188)</b>	<b>(560,404)</b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Period ended 28 January 2018**

	28/1/18 £	30/1/17 £
Cash and cash equivalents	<u>79,934</u>	<u>756,215</u>

**Period ended 29 January 2017**

	29/1/17 £	1/9/16 £
Cash and cash equivalents	<u>756,215</u>	<u>-</u>

The notes form part of these financial statements

## **EUPHORIUM BAKERY COMPANY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

#### **1. STATUTORY INFORMATION**

Euphorium Bakery Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

##### **Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectation of future events. Future events may differ from those estimates and judgements.

##### **Changes in accounting policies**

There have been no changes to the company's accounting policies during the year. The directors are also not aware of any standards or interpretations issued by the IASB but not yet applicable, that will have a significant impact on the financial statements when they are applied.

##### **Revenue recognition**

Turnover represents the sale of goods net of VAT. Revenue is recognised upon receipt of payment.

##### **Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 20% on cost and 10% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost and 10% on cost
Computer equipment	- 20% on cost

##### **Inventories**

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

##### **Employee benefit costs**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

##### **Going concern**

Despite the company's overdrawn balance sheet at the year end, there should be no material uncertainties that may cast significant doubt about the company's ability to continue as a going concern. This is due to the fact that it is funded by the ultimate beneficial owner BTC Qatar which is committed to further investment in the group.



**EUPHORIUM BAKERY COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

**3. EMPLOYEES AND DIRECTORS**

	PERIOD 30/1/17 TO 28/1/18 £	PERIOD 1/9/16 TO 29/1/17 £
Wages and salaries	1,892,654	240,935
Social security costs	116,547	13,704
Other pension costs	9,068	1,544
	<u>2,018,269</u>	<u>256,183</u>

The average number of employees during the period was as follows:

PERIOD 30/1/17 TO 28/1/18	PERIOD 1/9/16 TO 29/1/17
<u>89</u>	<u>80</u>

The average employees for the year ended 29 January 2017 were taken from December 2016 and January 2017 as Euphorium only started trading in December 2016.

	PERIOD 30/1/17 TO 28/1/18 £	PERIOD 1/9/16 TO 29/1/17 £
Directors' remuneration	<u>-</u>	<u>-</u>

**4. NET FINANCE COSTS**

	PERIOD 30/1/17 TO 28/1/18 £	PERIOD 1/9/16 TO 29/1/17 £
Finance costs: BTC group loan interest	<u>96,178</u>	<u>8,199</u>

**5. LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging:

	PERIOD 30/1/17 TO 28/1/18 £	PERIOD 1/9/16 TO 29/1/17 £
Cost of inventories recognised as expense	1,096,719	182,460
Hire of plant and machinery	45,673	4,007
Other operating leases	558,357	75,287
Depreciation - owned assets	67,276	1,500
Auditors' remuneration	5,500	5,000
Auditors' remuneration for non audit work	1,500	1,500
Foreign exchange differences	<u>5</u>	<u>-</u>

**EUPHORIUM BAKERY COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

**6. INCOME TAX**

**Analysis of tax expense**

No liability to UK corporation tax arose for the period ended 28 January 2018 nor for the period ended 29 January 2017.

The company has losses available to carry forward and offset against future profits of £2,576,705 (2017: £381,336).

**7. PROPERTY, PLANT AND EQUIPMENT**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 30 January 2017	-	32,007	3,083	9,992	45,082
Additions	503,498	193,106	120,950	-	817,554
Reclassification/transfer	-	-	9,992	(9,992)	-
At 28 January 2018	<u>503,498</u>	<u>225,113</u>	<u>134,025</u>	<u>-</u>	<u>862,636</u>
<b>DEPRECIATION</b>					
At 30 January 2017	-	1,067	100	333	1,500
Charge for period	30,586	25,080	11,610	-	67,276
Reclassification/transfer	-	-	333	(333)	-
At 28 January 2018	<u>30,586</u>	<u>26,147</u>	<u>12,043</u>	<u>-</u>	<u>68,776</u>
<b>NET BOOK VALUE</b>					
At 28 January 2018	<u>472,912</u>	<u>198,966</u>	<u>121,982</u>	<u>-</u>	<u>793,860</u>
At 29 January 2017	<u>-</u>	<u>30,940</u>	<u>2,983</u>	<u>9,659</u>	<u>43,582</u>

**8. INVENTORIES**

	2018 £	2017 £
Stocks	<u>83,169</u>	<u>26,809</u>

**9. TRADE AND OTHER RECEIVABLES**

	2018 £	2017 £
Current:		
Trade debtors	4,145	-
Bad debt provision	(8,653)	(8,653)
Amounts owed by participating interests	20,417	-
Other debtor	63,380	256,760
Other debtor - BTC Hospitality Investments Ltd	-	100
Other debtor - rent deposits	-	119,038
Other debtors	-	15,022
Prepayments and accrued income	<u>189,009</u>	<u>139,256</u>
	<u>268,298</u>	<u>521,523</u>

**EUPHORIUM BAKERY COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

**10. CASH AND CASH EQUIVALENTS**

	2018	2017
	£	£
Cash in hand	7,939	9,099
Bank accounts	<u>71,995</u>	<u>747,116</u>
	<u>79,934</u>	<u>756,215</u>

**11. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

Shares rank equally for voting and dividend purposes. Members will have one vote per share held.

**12. RESERVES**

	Retained earnings £
At 30 January 2017	(535,640)
Deficit for the period	<u>(2,277,119)</u>
At 28 January 2018	<u>(2,812,759)</u>

**13. TRADE AND OTHER PAYABLES**

	2018	2017
	£	£
Current:		
Trade creditors	233,425	302,372
Amounts owed to group undertakings	273,585	249,585
Social security and other taxes	31,496	27,150
Wages Control Account	123,639	99,024
Pension Control Account	1,957	1,852
Other creditors	-	764
Accrued expenses	181,250	87,605
VAT	<u>55,091</u>	<u>3,301</u>
	<u>900,443</u>	<u>771,653</u>
Non-current:		
Amounts owed to group undertakings	<u>3,033,660</u>	<u>1,008,199</u>
Aggregate amounts	<u>3,934,103</u>	<u>1,779,852</u>

# **EUPHORIUM BAKERY COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

### **14. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	531,768	451,768
Between one and five years	1,964,202	1,748,489
In more than five years	<u>1,372,309</u>	<u>1,338,862</u>
	<u>3,868,279</u>	<u>3,539,119</u>

### **15. PROVISIONS**

	2018	2017
	£	£
Other provisions dilapidations	<u>103,817</u>	<u>103,817</u>

Analysed as follows:

Current	<u>103,817</u>	<u>103,817</u>
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	2017
	£
At incorporation	-
Movement in period	<u>103,817</u>
<b>As at 29 January 2017</b>	<u><b>103,817</b></u>

### **16. ULTIMATE PARENT COMPANY**

The ultimate controlling party is Business Trading Company W.L.L, a company registered in Qatar. However the immediate parent company is BTC Hospitality Investments Limited by virtue of its ownership of 100% of the issued share capital of Euphorium Bakery Company Limited.

### **17. RELATED PARTY DISCLOSURES**

#### **BTC Hospitality Investments Limited**

The company has received a loan from BTC Hospitality investments Limited of £1,975,075 (2017: £nil). Interest has been charged on this balance, and there are no set repayment terms.

The company also owes BTC Hospitality Investments Limited £21,023 (2017: £13,973) in the form of recharges.

#### **Soho Coffee Shops Limited**

The company has a loan due to Soho Coffee Shops Limited of £1,058,585 (2017: £1,008,199. Interest has been charged on this balance, and there are no set repayment terms.

The company also owes Soho Coffee Shops Limited £252,562 (2017: £235,612) in the form of recharges.

#### **Apostrophe Restaurants Limited**

The company is owed £20,417 (2017: £nil) by Apostrophe Restaurants Limited in the form of recharges.

**EUPHORIUM BAKERY COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 30 JANUARY 2017 TO 28 JANUARY 2018**

**18. YEAR END DATE**

The company has taken advantage of the 'seven day rule' which allows companies to prepare accounts up to 7 days either side of the Accounting Reference Date. The company has chosen to prepare its accounts up to 28 January 2018.