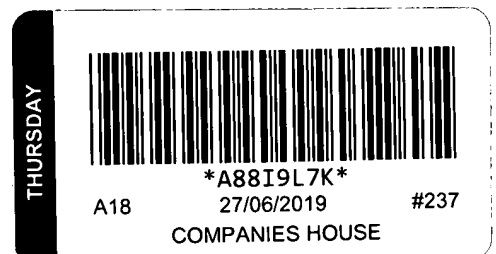


Company Registration No. 02644182 (England and Wales)

BIBIS RESTAURANTS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
28 OCTOBER 2018



BIBIS RESTAURANTS LIMITED

COMPANY INFORMATION

Director	O E E Teodorani
Secretary	L Sperandio
Company number	02644182
Registered office	Criterion Place Swinegate Leeds West Yorkshire LS1 4AG
Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL

BIBIS RESTAURANTS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 28 OCTOBER 2018

The director presents the strategic report and financial statements for the 52 week period ended 28 October 2018.

The director aims to present a balanced and comprehensive review of the development and performance of the business during the period and its position at the period end.

Review of Business

During the period the company's sales decreased by 9% to £3,008,660 compared to £3,290,112 in the corresponding period and covers fell 11% from 94,839 to 84,584. The decrease in turnover was slightly reduced by small price increases which improved spend per head which increased from £34.70 to £35.57. The period suffered an operating loss of £335,463, compared to a profit of £326,673 in the previous year and EBITDA was £167,758 compared to £465,840 in the prior period. The majority of the operating loss can be attributed to an impairment adjustment of £350,000. The results for the period have reduced the net assets of the business to £1,650,066. The company has continued to run themed events and has recently changed the pricing structure and days of the showtime events in order to attract a wider clientele. Overheads continue to be carefully managed.

During the financial year the company breached its financial covenants with the bank. As a result the loans have been reclassified as falling due within one year. However following the year end the company has received confirmation in writing from the bank that they have no intention to take action at this time as a result of the breaches. The facilities have been reinstated on terms similar to those previously held, such that the loans have been re-instated as long term provided that the revised banking covenants are not breached in the subsequent accounting period.

2018 was a disappointing year for the company, due to external factors including an extended period of hot weather and the World Cup which subsequently reduced footfall. We have continued to maintain our position as one of the premier dining venues in the city and have continued to invest in our business. During the period the company invested £300,000 in a refurbishment to the restaurant and we are currently looking at the possibility of creating an 'al-fresco' dining experience next to the main restaurant. This development is subject to planning permission and other developments in the immediate vicinity of the business.

Future Developments

As for many companies of our size, the business environment in which we operate continues to prove challenging.

The company is looking to strengthen its links in the corporate community and increase footfall. We continue to improve our internal systems and procedures and are proud of the consistent positive feedback we receive from our customers. We hope that our business will go from strength to strength and continue to benefit from the success of Leeds as a vibrant city and in the current year trading is recovering as a result of improved cost control and significant business development activity.

Key Performance Indicators

The company considers the key financial performance indicators are those that communicate the financial performance and strength of the company, these being, turnover, operating profit and EBITDA. After each 4-week period the company produces detailed management accounts so that it is able to manage performance and to make quick decisions on performance.

BIBIS RESTAURANTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 OCTOBER 2018

Principal Risks and Uncertainties

The economic environment continues to create a degree of uncertainty over discretionary restaurant/bar spend. As a result, the company is continually looking to develop and improve its customer offering to ensure that it remains competitive within the marketplace.

Amongst the regulatory environment, health and safety within the restaurant is one of the key aspects of the day to day running of the business. The company endeavours to ensure that the highest standards of health and safety are maintained across all aspects of the business and this is under constant review by management.

Financial Risk Management

To ensure that the owners manage the potential financial risks to the business 4-weekly accounts are prepared within 3 to 4 days of the end of each period with a detailed analytical review of the performance of the business. In addition, the business ensures that there are robust internal controls which are subject to continuous review and improvement.

.....
O E E Teodorani

Director

25-6-19



BIBIS RESTAURANTS LIMITED

DIRECTOR'S REPORT

FOR THE PERIOD ENDED 28 OCTOBER 2018

The director presents his annual report and financial statements for the period ended 28 October 2018.

Principal activities

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

Director

The director who held office during the period and up to the date of signature of the financial statements was as follows:

O E E Teodorani

Results and dividends

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

Ordinary dividends were paid amounting to £5,000. The director does not recommend payment of a final dividend.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

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

Strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has prepared a Strategic Report which includes information that would previously have been included in the Directors' Report.

On behalf of the board


O E E Teodorani

Director

Date: 25-6-19

BIBIS RESTAURANTS LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 28 OCTOBER 2018

The director is responsible for preparing the Strategic Report and the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIBIS RESTAURANTS LIMITED

Opinion

We have audited the financial statements of Bibis Restaurants Limited (the 'company') for the period ended 28 October 2018 which comprise the statement of income and retained earnings, the statement of financial position, the statement of cash flows 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 FRS 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 28 October 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is 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.

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 director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIBIS RESTAURANTS LIMITED (CONTINUED)

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 the director's report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement set out on page 4, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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 on the Financial Reporting Council's website at: <http://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 him 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.

RSM UK Audit LLP

Hugh Fairclough (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL
25-6-19

BIBIS RESTAURANTS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE PERIOD ENDED 28 OCTOBER 2018

	Notes	Period ended 28 October 2018 £	Period ended 29 October 2017 £
Turnover	3	3,008,660	3,290,112
Cost of sales		(2,078,735)	(2,088,406)
Gross profit		929,925	1,201,706
Administrative expenses		(1,265,388)	(875,033)
Earnings before interest, tax, depreciation and amortisation		167,758	465,840
Impairment losses		(350,000)	-
Depreciation		(153,221)	(139,167)
Operating (loss)/profit	4	(335,463)	326,673
Interest receivable and similar income		-	202
Interest payable and similar expenses	7	(73,879)	(68,690)
(Loss)/profit on ordinary activities before taxation		(409,342)	258,185
Taxation	8	1,016	(64,890)
(Loss)/profit for the financial period	23	(408,326)	193,295
Retained earnings brought forward		1,734,392	1,541,097
Dividends	9	(5,000)	-
Retained earnings carried forward		1,321,066	1,734,392

BIBIS RESTAURANTS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 28 OCTOBER 2018**

		28 October 2018		29 October 2017	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	10	-	-	-	-
Tangible assets	11	5,835,119		6,038,128	
		<u>5,835,119</u>		<u>6,038,128</u>	
Current assets					
Stocks	12	44,153		38,039	
Debtors	13	93,909		75,036	
		<u>138,062</u>		<u>113,075</u>	
Creditors: amounts falling due within one year	14	(4,194,985)		(1,776,906)	
Net current liabilities		<u>(4,056,923)</u>		<u>(1,663,831)</u>	
Total assets less current liabilities		<u>1,778,196</u>		<u>4,374,297</u>	
Creditors: amounts falling due after more than one year	15	-		(2,218,910)	
Provisions for liabilities	19	(128,130)		(91,995)	
Net assets		<u>1,650,066</u>		<u>2,063,392</u>	
Capital and reserves					
Called up share capital	21	61,000		61,000	
Share premium account	23	228,000		228,000	
Capital redemption reserve	23	40,000		40,000	
Profit and loss reserves	23	1,321,066		1,734,392	
Total equity		<u>1,650,066</u>		<u>2,063,392</u>	

The financial statements were approved and signed by the director and authorised for issue on 25-6-19

.....
 O E E Teodorani
 Director

BIBIS RESTAURANTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 28 OCTOBER 2018

		Period ended 28 October 2018		Period ended 29 October 2017	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	27		189,718		509,369
Income taxes paid			(36,573)		(4,525)
Net cash inflow from operating activities			<u>153,145</u>		<u>504,844</u>
Investing activities					
Purchase of tangible fixed assets		(300,212)		(36,573)	
Proceeds on disposal of tangible fixed assets		-		3,495	
Interest received		-		202	
Net cash used in investing activities			<u>(300,212)</u>		<u>(32,876)</u>
Financing activities					
Interest paid		(73,879)		(68,690)	
Repayment of borrowings		(173,910)		(160,631)	
Proceeds of new bank loans		300,000		2,460,000	
Repayment of bank loans		(130,696)		(2,548,117)	
Payment of finance leases obligations		(23,947)		(40,717)	
Dividends paid		(5,000)		-	
Net cash used in financing activities			<u>(107,432)</u>		<u>(358,155)</u>
Net (decrease)/increase in cash and cash equivalents			<u>(254,499)</u>		<u>113,813</u>
Cash and cash equivalents at beginning of period			<u>(38,950)</u>		<u>(152,763)</u>
Cash and cash equivalents at end of period			<u><u>(293,449)</u></u>		<u><u>(38,950)</u></u>
Relating to:					
Bank overdrafts included in creditors payable within one year			<u><u>(293,449)</u></u>		<u><u>(38,950)</u></u>

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 OCTOBER 2018

1 Accounting policies

Company information

Bibis Restaurants Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is Criterion Place, Swinegate, Leeds, West Yorkshire, LS1 4AG.

The principal activity of the company is disclosed in the Director's report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

At 28 October 2018 the company had net current liabilities of £4,056,923 (2017 - £1,663,831). The financial statements have been prepared on a going concern basis. Since the period end the company has entered its busiest period and has returned to profitably and is generating cash. At present, the company is reliant on the ongoing support from the bank and expects to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

The company maintains a forecast which is compared against 4 weekly actuals as part of the 4 weekly management accounts process, which are prepared within 3 to 4 days of the end of each period.

Turnover

Turnover represents restaurant and bar takings (excluding voluntary gratuities left by customers for the benefit of the employees) which is recognised at the point of sale through electronic tills. Turnover is shown net of Value Added Tax.

Patents and trademarks

Patents and trademarks are valued at cost less accumulated amortisation. Amortisation is calculated to write off the costs in equal annual instalments over their estimated useful lives as follows:

Patents and trademarks	over 5 years
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

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

Long leasehold property	Over the length of the lease
Leasehold improvements to property	2% on cost
Plant and machinery	10% on cost
Fixtures, fittings and equipment	10% - 50% on cost

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2018

1 Accounting policies (Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

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

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

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

Stocks

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

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2018

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade creditors, other creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 OCTOBER 2018

1 Accounting policies (Continued)

Equity instruments

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

Taxation

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

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

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

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

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

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

Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held in an independently administered fund. The annual contributions payable are charged to the profit and loss account.

Leases

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

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

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 OCTOBER 2018

1 Accounting policies (Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and note 1 for the useful economic lives for each class of assets.

Impairment of property, plant and equipment

The impairment analysis of tangible assets requires an estimation of the recoverable amount of these respective assets, being the higher of fair value less costs to sell and value in use. This requires the company to determine the value in use of the asset or the cash-generating unit to which the assets are allocated. The director considers there to be only one cash generating unit, being the restaurant unit as a whole.

Estimation of the value in use is primarily based on discounted cash flow models which require the company to make an estimate of the expected future cash flows from the asset or the cash-generating unit and also to choose an appropriate discount rate in order to calculate the present value of the cash flows. The forecast cash flow and the discount rate applied is an estimate and that depending on a range of suitable inputs, the resulting impairment could be a greater or lesser amount. The impairment losses are disclosed in note 11 and total £350,000.

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2018

3 Turnover

An analysis of the company's turnover is as follows:

	Period ended 28 October 2018 £	Period ended 29 October 2017 £
Turnover analysed by class of business		
Restaurant sales	3,008,660	3,290,112

	Period ended 28 October 2018 £	Period ended 29 October 2017 £
Turnover analysed by geographical market		
United Kingdom	3,008,660	3,290,112

4 Operating (loss)/profit

	Period ended 28 October 2018 £	Period ended 29 October 2017 £
Operating (loss)/profit for the period is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	17,250	17,250
Depreciation of owned tangible fixed assets	139,310	125,256
Depreciation of tangible fixed assets held under finance leases	13,911	13,911
Impairment of owned tangible fixed assets (see note 11)	350,000	-
Profit on disposal of tangible fixed assets	-	(3,495)
Cost of stocks recognised as an expense	904,089	921,292
Operating lease charges	15,929	17,403

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2018

5 Employees

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

	Period ended 28 October 2018 Number	Period ended 29 October 2017 Number
Restaurant and Kitchen	80	74
Administrative (including the director)	5	5
	<u>85</u>	<u>79</u>

Their aggregate remuneration comprised:

	Period ended 28 October 2018 £	Period ended 29 October 2017 £
Wages and salaries	1,174,813	1,161,899
Social security costs	72,643	72,311
Pension costs	9,576	7,072
	<u>1,257,032</u>	<u>1,241,282</u>

6 Director's remuneration

	Period ended 28 October 2018 £	Period ended 29 October 2017 £
Remuneration for qualifying services	<u>2,025</u>	<u>2,081</u>

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2018

7 Interest payable and similar expenses

	Period ended 28 October 2018 £	Period ended 29 October 2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	70,889	67,297
Other finance costs:		
Interest on finance leases and hire purchase contracts	2,990	1,393
	<u>73,879</u>	<u>68,690</u>

8 Taxation

	Period ended 28 October 2018 £	Period ended 29 October 2017 £
Current tax		
UK corporation tax on profits for the current period	-	53,018
Adjustments in respect of prior periods	(37,151)	-
Total current tax	<u>(37,151)</u>	<u>53,018</u>
Deferred tax		
Origination and reversal of timing differences	<u>36,135</u>	<u>11,872</u>
Total tax (credit)/ charge	<u>(1,016)</u>	<u>64,890</u>

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2018

8 Taxation (Continued)

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

	Period ended 28 October 2018 £	Period ended 29 October 2017 £
(Loss)/profit before taxation	(409,342)	258,185
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.42%)	(77,775)	50,133
Tax effect of expenses that are not deductible in determining taxable profit	1,416	2,311
Tax effect of utilisation of tax losses not previously recognised	36,353	-
Adjustments in respect of prior years	(37,151)	-
Fixed asset differences	80,392	14,135
Adjust deferred tax to average rate	(4,251)	(1,689)
Tax expense for the period	(1,016)	64,890

9 Dividends

	Period ended 28 October 2018 Per share £	Period ended 29 October 2017 Per share £	Period ended 28 October 2018 Total £	Period ended 29 October 2017 Total £
Ordinary shares				
Interim paid	0.08	-	5,000	-
Total dividends				
Interim paid			5,000	-

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2018

10 Intangible fixed assets

	Patents and trademarks £
Cost	
At 30 October 2017 and 28 October 2018	7,075
Amortisation and impairment	
At 30 October 2017 and 28 October 2018	7,075
Carrying amount	
At 28 October 2018	-
At 29 October 2017	-

11 Tangible fixed assets

	Long leasehold property £	Leasehold improvements to property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost					
At 30 October 2017	4,405,673	2,207,656	904,982	1,566,959	9,085,270
Additions	-	14,516	128,460	157,236	300,212
Disposals	-	-	-	(20,948)	(20,948)
At 28 October 2018	4,405,673	2,222,172	1,033,442	1,703,247	9,364,534
Depreciation and impairment					
At 30 October 2017	116,115	749,437	673,916	1,507,674	3,047,142
Depreciation charged in the period	38,704	44,345	41,688	28,484	153,221
Impairment losses	350,000	-	-	-	350,000
Eliminated in respect of disposals	-	-	-	(20,948)	(20,948)
At 28 October 2018	504,819	793,782	715,604	1,515,210	3,529,415
Carrying amount					
At 28 October 2018	3,900,854	1,428,390	317,838	188,037	5,835,119
At 29 October 2017	4,289,558	1,458,219	231,066	59,285	6,038,128

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2018

11 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	28 October 2018 £	29 October 2017 £
Plant and machinery	86,686	100,597
Depreciation charge for the period in respect of leased assets	13,911	13,911

Long leasehold property with a carrying amount of £3,900,854 (2017 - £4,289,558) has been pledged to secure borrowings of the company. The company is not allowed to pledge this asset as security for other borrowings or to sell them to another entity.

During the period to 28 October 2018, an impairment of £350,000 (2017 - £nil) was identified in relation to the long leasehold property. Further details of how this has been calculated has been disclosed in note 2.

12 Stocks

	28 October 2018 £	29 October 2017 £
Raw materials and consumables	44,153	38,039

13 Debtors

	28 October 2018 £	29 October 2017 £
Amounts falling due within one year:		
Trade debtors	9,521	6,136
Corporation tax recoverable	20,690	-
Prepayments and accrued income	63,698	68,900
	93,909	75,036

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2018

14 Creditors: amounts falling due within one year

	Notes	28 October 2018 £	29 October 2017 £
Bank loans	17	2,811,672	175,275
Obligations under finance leases	18	6,316	23,947
Other borrowings	17	866,269	1,040,179
Trade creditors		235,386	203,205
Corporation tax		-	53,034
Other taxation and social security		96,571	115,049
Deferred income		91,344	95,712
Other creditors		21,051	19,226
Accruals		66,376	51,279
		<u>4,194,985</u>	<u>1,776,906</u>

The entire amount of other borrowings consisted of the directors' loan account, which has been classified as short term.

The bank has a restriction on other borrowings such that the balance outstanding should not fall below £800,000 until 1 December 2031.

15 Creditors: amounts falling due after more than one year

	Notes	28 October 2018 £	29 October 2017 £
Bank loans	17	-	2,212,594
Obligations under finance leases	18	-	6,316
		<u>-</u>	<u>2,218,910</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	1,805,244
	<u>-</u>	<u>1,805,244</u>

16 Financial instruments

	28 October 2018 £	29 October 2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	9,521	6,136
	<u>9,521</u>	<u>6,136</u>
Carrying amount of financial liabilities		
Measured at amortised cost	4,000,754	3,701,758
	<u>4,000,754</u>	<u>3,701,758</u>

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2018

17 Borrowings

	28 October 2018 £	29 October 2017 £
Bank loans	2,518,223	2,348,919
Bank overdraft	293,449	38,950
Other borrowings	866,269	1,040,179
	<u>3,677,941</u>	<u>3,428,048</u>
Payable within one year	3,677,941	1,215,454
Payable after one year	-	2,212,594
	<u></u>	<u></u>

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the company. The overdraft is due for renewal in October 2019.

The interest rate on the loans range from 3.03% to 3.50% with the overdraft set at an interest rate of 2.25%.

During the financial year the company breached its financial covenants with the bank. As a result the loans have been reclassified as falling due within one year. However following the year end the company has received confirmation in writing from the bank that they have no intention to take action at this time as a result of the breaches. The facilities have been reinstated on terms similar to those previously held, such that the loans have been re-instated as long term provided that the revised banking covenants are not breached in the subsequent accounting period.

18 Finance lease obligations

	28 October 2018 £	29 October 2017 £
Future minimum lease payments due under finance leases:		
Less than one year	6,316	23,947
Between one and five years	-	6,316
	<u>6,316</u>	<u>30,263</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The interest rate charged on the finance leases range between 4.6% and 5.1%.

The assets held under finance lease are secured against the assets to which they relate.

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2018

19 Provisions for liabilities

	Notes	28 October 2018 £	29 October 2017 £
Deferred tax liabilities	20	128,130	91,995
		<u>128,130</u>	<u>91,995</u>

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 28 October 2018 £	Liabilities 29 October 2017 £
Balances:		
Accelerated capital allowances	128,250	91,995
Short term timing differences	(120)	-
	<u>128,130</u>	<u>91,995</u>
		2018
		£
Movements in the period:		
Liability at 30 October 2017		91,995
Charge to profit or loss		36,135
		<u>128,130</u>

21 Share capital

	28 October 2018 £	29 October 2017 £
Ordinary share capital		
Issued and fully paid		
60,000 Ordinary shares of £1 each	60,000	60,000
1,000 "B" Ordinary shares of £1 each	1,000	1,000
	<u>61,000</u>	<u>61,000</u>

Ordinary shares of £1 each carry full voting rights. "B" Ordinary shares of £1 each do not carry voting rights. All shares participate equally in the distribution of dividends.

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2018

22 Retirement benefit schemes

	Period ended 28 October 2018 £	Period ended 29 October 2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	9,576	7,072

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the year end £1,634 (2017 - £973) was outstanding.

23 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

24 Operating lease commitments

Lessee

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

	28 October 2018 £	29 October 2017 £
Within one year	2,743	12,537
Between two and five years	-	1,992
	<u>2,743</u>	<u>14,529</u>

BIBIS RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 OCTOBER 2018

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including the director, is as follows.

	Period ended 28 October 2018 £	Period ended 29 October 2017 £
Aggregate compensation	19,428	18,925

During the period, the company repaid loans to O E E Teodorani of £173,910 (2017 - £160,631). At the reporting date, £866,269 (2017 - £1,040,179), included within other borrowings in amounts falling due within one year was owed by the company.

26 Ultimate controlling party

The company is under the control of O E E Teodorani as the sole director and shareholder.

27 Cash generated from operations

	Period ended 28 October 2018 £	Period ended 29 October 2017 £
(Loss)/profit for the period after tax	(408,326)	193,295
Adjustments for:		
Taxation (credited)/charged	(1,016)	64,890
Finance costs	73,879	68,690
Interest income	-	(202)
Gain on disposal of tangible fixed assets	-	(3,495)
Depreciation and impairment of tangible fixed assets	503,221	139,167
Movements in working capital:		
(Increase)/decrease in stocks	(6,114)	10,896
Decrease/(increase) in debtors	1,817	(23,838)
Increase in creditors	30,625	60,490
Decrease in deferred income	(4,368)	(524)
Cash generated from operations	189,718	509,369