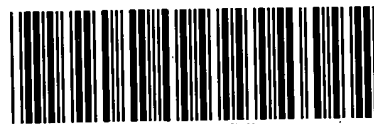


Company Registration No. 07632103 (England and Wales)

Bagel Nash Group Limited
Annual Report And Financial Statements
For The Year Ended 30 April 2016

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BAGEL NASH GROUP LIMITED

COMPANY INFORMATION

Directors	Mr A Micklethwaite Mrs S J Micklethwaite Mr P G Siddall Mr J D Hart (Appointed 14 March 2016)
Company number	07632103
Registered office	122 North Street Leeds LS7 1AF
Auditor	Garbutt & Elliott Audit Limited Arabesque House Monks Cross Drive Huntington York YO32 9GW

BAGEL NASH GROUP LIMITED

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BAGEL NASH GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2016

The directors present the strategic report for the year ended 30 April 2016.

These financial statements are the first set prepared under the new reporting standard FRS 102, as explained further in note 1.1. There have been no transitional adjustments identified on transition.

Fair review of the business

The principal activities of the group continued to be that of bakery production and operation of food retailing outlets.

Although turnover within the food manufacturing operation was down 4.7% (2015 - up 7.4%) compared to the prior year, that comparative included a trial with a customer at low margin, which was not repeated in 2016. Excluding this, like-for-like turnover increased by 2.2%, with the outlook for further growth positive.

The general backdrop of the high street continues to be mixed; food retail is a strongly competitive market with a wide variety of alternative outlet formats being found on the high street targeting consumer spend, as such the retailing outlets showed a decline in turnover of 4.7% (2015 - growth of 3.7%) in the year.

Principal risks and uncertainties

Fluctuations in the price of certain raw materials up to and after the balance sheet date remain a concern to the directors. However, such changes are closely monitored, and by increasing the number of approved alternative suppliers the group is well placed to mitigate the impact of adverse price movements.

The group is financed to a significant extent by debt financing, a large proportion of which is held by a major shareholder of the group. Some of this debt financing matures and is due for repayment in the foreseeable future. The directors have given consideration to the future plans and forecasts for the group's cashflow, together with an undertaking to provide support given by the major shareholder, and are of the consideration that the group is able to make repayments as and when they fall due unless waived. Accordingly, the directors are confident that the liquidity risks facing the group can be adequately managed for the foreseeable future.

Development and performance

The group has made an operating profit before impairment and amortisation of consolidated goodwill of £269,619 (2015 - £254,686). The directors are satisfied with this result and believe that the ongoing investment and expansion plans will deliver top and bottom line growth year on year.

Although the economic environment remains challenging the directors believe that the group is well positioned to expand. The manufacturing operation is starting to see the benefit of increased capacity with new customer and product launches in the year.

Key performance indicators

Along with turnover, gross profit margin from continuing operations (66.8%; 2015 - 64.2%), and net liabilities (£955,718; 2015 - £488,625) are the key indicators of performance.

BAGEL NASH GROUP LIMITED

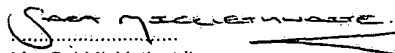
STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

Other information and explanations

Treasury operations and financial instruments

With the exception of foreign exchange, the group does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. However, a significant proportion of its sales are cash, helping to mitigate the group's overall exposure to these risks.

On behalf of the board



Mrs S J Micklethwaite

Director

26.01.2017

BAGEL NASH GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2016

The directors present their annual report and financial statements for the year ended 30 April 2016.

Principal activities

The principal activities of the group continue to be that of bakery production and operation of food retailing outlets.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Micklethwaite

Mrs S J Micklethwaite

Mr K Ellis

(Resigned 4 January 2016)

Mr P G Siddall

Mr J D Hart

(Appointed 14 March 2016)

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

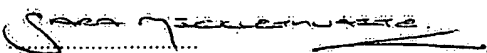
Auditor

The auditor, Garbutt & Elliott Audit Limited, 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 auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board



Mrs S J Micklethwaite

Director

26.01.2017

BAGEL NASH GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 APRIL 2016

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BAGEL NASH GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAGEL NASH GROUP LIMITED

We have audited the financial statements of Bagel Nash Group Limited for the year ended 30 April 2016 set out on pages 7 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2016 and of its loss 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.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.3 to the financial statements concerning the group's ability to continue as a going concern. The group incurred a net loss of £467,093 during the year ended 30 April 2016 and, at that date, the group had net liabilities of £955,718. Although there is no indication that loans are going to be called in there is no legal documentation to prevent this from occurring. These conditions, along with the other matters explained in note 1.3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

BAGEL NASH GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BAGEL NASH GROUP LIMITED

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Garbutt & Elliott Audit Ltd.

**Mr Alan Sidebottom (Senior Statutory Auditor)
for and on behalf of Garbutt & Elliott Audit Limited**

27 January 2017

**Chartered Accountants
Statutory Auditor**

Arabesque House
Monks Cross Drive
Huntington
York
YO32 9GW

BAGEL NASH GROUP LIMITED

GROUP STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	2015 £
Turnover	3	6,124,144	6,434,860
Cost of sales		(2,033,624)	(2,302,096)
Gross profit		4,090,520	4,132,764
Administrative expenses		(4,114,989)	(4,072,166)
Operating (loss)/profit	4	(24,469)	60,598
Interest payable and similar charges	7	(472,524)	(438,497)
Loss before taxation		(496,993)	(377,899)
Taxation	8	29,900	28,450
Loss for the financial year		(467,093)	(349,449)

Total comprehensive income for the year is all attributable to the owners of the parent company.

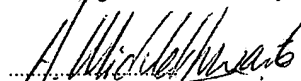
The profit and loss account has been prepared on the basis that all operations are continuing operations.

BAGEL NASH GROUP LIMITED

GROUP BALANCE SHEET AS AT 30 APRIL 2016

	Notes	2016 £	2015 £
Fixed assets			
Goodwill	10	2,998,435	3,361,823
Tangible assets	11	1,510,847	1,541,957
		<u>4,509,282</u>	<u>4,903,780</u>
Current assets			
Stocks	14	180,932	162,511
Debtors	15	775,073	843,007
Cash at bank and in hand		148,209	112,676
		<u>1,104,214</u>	<u>1,118,194</u>
Creditors: amounts falling due within one year	18	<u>(3,059,647)</u>	<u>(2,459,469)</u>
Net current liabilities		<u>(1,955,433)</u>	<u>(1,341,275)</u>
Total assets less current liabilities		<u>2,553,849</u>	<u>3,562,505</u>
Creditors: amounts falling due after more than one year	19	<u>(3,473,267)</u>	<u>(4,035,480)</u>
Provisions for liabilities	20	<u>(36,300)</u>	<u>(15,650)</u>
Net liabilities		<u>(955,718)</u>	<u>(488,625)</u>
Capital and reserves			
Called up share capital	22	87,883	87,883
Share premium account		838,187	838,187
Capital redemption reserve		5,248	5,248
Profit and loss reserves		<u>(1,887,036)</u>	<u>(1,419,943)</u>
Total equity		<u>(955,718)</u>	<u>(488,625)</u>

The financial statements were approved by the board of directors and authorised for issue on 26/11/17 and are signed on its behalf by:



Mr A Micklethwaite
Director

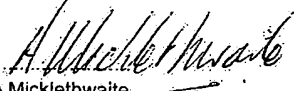
Company Registration No. 07632103

BAGEL NASH GROUP LIMITED

COMPANY BALANCE SHEET AS AT 30 APRIL 2016

	Notes	2016 £	2015 £
Fixed assets			
Investments	12	5,516,950	5,516,950
Current assets			
Debtors	15	3,250	337,472
Creditors: amounts falling due within one year	18	(1,911,943)	(1,196,024)
Net current liabilities		(1,908,693)	(858,552)
Total assets less current liabilities		3,608,257	4,658,398
Creditors: amounts falling due after more than one year	19	(3,459,341)	(4,030,219)
Net assets		148,916	628,179
Capital and reserves			
Called up share capital	22	87,883	87,883
Share premium account		838,187	838,187
Capital redemption reserve		5,248	5,248
Profit and loss reserves		(782,402)	(303,139)
Total equity		148,916	628,179

The financial statements were approved by the board of directors and authorised for issue on 26/1/17 and are signed on its behalf by:


Mr A Micklethwaite
Director

Company Registration No. 07632103

BAGEL NASH GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2014		87,883	838,187	5,248	(1,070,494)	(139,176)
Year ended 30 April 2015:						
Loss and total comprehensive income for the year		-	-	-	(349,449)	(349,449)
Balance at 30 April 2015		87,883	838,187	5,248	(1,419,943)	(488,625)
Year ended 30 April 2016:						
Loss and total comprehensive income for the year		-	-	-	(467,093)	(467,093)
Balance at 30 April 2016		87,883	838,187	5,248	(1,887,036)	(955,718)

BAGEL NASH GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2014		87,883	838,187	5,248	139,313	1,070,631
Year ended 30 April 2015:						
Loss and total comprehensive income for the year		-	-	-	(442,452)	(442,452)
Balance at 30 April 2015		87,883	838,187	5,248	(303,139)	628,179
Year ended 30 April 2016:						
Loss and total comprehensive income for the year		-	-	-	(479,263)	(479,263)
Balance at 30 April 2016		87,883	838,187	5,248	(782,402)	148,916

BAGEL NASH GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	28	621,342		544,827	
Interest paid		(167,322)		(438,497)	
Income taxes (paid)/refunded		-		13,637	
Net cash inflow from operating activities		454,020		119,967	
Investing activities					
Purchase of tangible fixed assets		(213,810)		(89,724)	
Proceeds on disposal of tangible fixed assets		1,591		1,084	
Net cash used in investing activities		(212,219)		(88,640)	
Financing activities					
Repayment of borrowings		(201,484)		(82,750)	
Payment of finance leases obligations		(4,784)		(3,950)	
Net cash used in financing activities		(206,268)		(86,700)	
Net increase/(decrease) in cash and cash equivalents		35,533		(55,373)	
Cash and cash equivalents at beginning of year		112,676		168,049	
Cash and cash equivalents at end of year		148,209		112,676	

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

Company information

Bagel Nash Group Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is 122 North Street, Leeds, LS7 1AF.

The group consists of Bagel Nash Group Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with "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 £1.

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

These group and company financial statements for the year ended 30 April 2016 are the first financial statements of Bagel Nash Group Limited and the group prepared in accordance with FRS 102. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 May 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the disclosure exemptions of Section 33.1A of FRS 102 which permit it to not present details of its transactions with members of the group headed by Bagel Nash Group Limited where relevant group companies are all wholly owned.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £479,263 (2015 - £442,452 loss).

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

On transition to FRS 102 the group has taken advantage of the exemptions set out in Section 35.10(a) of FRS 102 which permit it to not restate its acquired assets, liabilities and goodwill for business combinations that took place before the group's date of transition to the new standard. The directors have not attempted to quantify the differences that may have arisen had this transitional exemption not been utilised.

The consolidated financial statements incorporate those of Bagel Nash Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 April 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

These financial statements are prepared on the going concern basis.

The group meets its day to day working capital requirements through an overdraft facility which is repayable on demand.

The group also benefits from a number of financing arrangements provided by a major shareholder, which are disclosed further in note 16, as well as other third parties. The shareholder loans take legal precedence over the third party loans. In the year to 30 April 2017 the group is due to repay £1,690,620 of loans, of which £664,728 is to third parties. The group has received confirmation of support from the shareholder that repayment will not be demanded should the group be unable to obtain sufficient cash to enact such a repayment, and accordingly the third party loans are required to be delayed in accordance with the terms of the legal precedence.

The directors have therefore assessed the group's cash requirements for the next twelve months in light of this support, and alternative sources of financing that may be available, and are satisfied that the liquidity risks that the group faces can be adequately addressed via this support from the shareholder; as such, the accounts are prepared on a going concern basis.

1.4 Turnover

Revenue from the sale of goods is recognised net of VAT and trade discounts when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. For retail sales this is at point of sale and for bakery sales this is at dispatch.

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

1.5 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of ten years. Goodwill on consolidation is written off in equal annual instalments over its useful economic life of twenty years.

1.6 Tangible fixed assets

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

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

Leasehold property	10% Straight line
Plant and machinery	10% - 25% Straight line
Fixtures, fittings and equipment	10% - 25% Straight line

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

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

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

1.9 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

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

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

1.11 Financial instruments

The group 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 in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, 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 publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 group 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 group after deducting all of its liabilities.

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest 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 that do not meet the conditions in FRS 102 paragraph 11.9 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 the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

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

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 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.

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

1.15 Retirement benefits

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

1.16 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 balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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.

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

2 Judgements and key sources of estimation uncertainty

(Continued)

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.

Goodwill and tangible fixed assets

The group's amortisation and depreciation policies have been set according to management's experience of the useful lives of a typical asset in each category, something which is reviewed annually. Alongside this review, management also review for impairments in each asset, which in the current year has given rise to an impairment of £100,000 (2015 - £nil) on its goodwill. Other than where adjustments are necessary, it is not considered practical to allocate depreciation on a per unit basis and therefore fixed amounts are charged annually. The depreciation and amortisation charged to the profit and loss account in the year is felt by the directors to be a fair reflection of the benefits derived from the consumption of the goodwill and tangible fixed assets in use during the year.

3 Turnover and other revenue

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

	2016 £	2015 £
Turnover		
Bakery	2,988,526	3,143,596
Retail	3,135,618	3,291,264
	<u>6,124,144</u>	<u>6,434,860</u>

Turnover analysed by geographical market

	2016 £	2015 £
UK	5,318,064	5,445,368
Europe	778,284	960,982
Rest of the World	27,796	28,510
	<u>6,124,144</u>	<u>6,434,860</u>

4 Operating (loss)/profit

	2016 £	2015 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	257,128	236,610
Depreciation of tangible fixed assets held under finance leases	1,858	1,580
Loss on disposal of tangible fixed assets	1,018	1,175
Amortisation of intangible assets	263,388	263,388
Impairment of intangible assets	100,000	-
Cost of stocks recognised as an expense	2,033,624	2,302,096
Operating lease charges	<u>760,758</u>	<u>776,381</u>

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

5 Auditor's remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	425	800
Audit of the company's subsidiaries	7,575	6,195
	<u>8,000</u>	<u>6,995</u>

6 Employees

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

	2016	2015
	Number	Number
Directors	3	4
Sales and administration	6	4
Bakery production	23	30
Retail	77	89
	<u>109</u>	<u>127</u>

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	1,772,586	1,764,714
Social security costs	92,968	118,037
Pension costs	3,737	1,914
	<u>1,869,291</u>	<u>1,884,665</u>

7 Interest payable and similar charges

	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	746	498
Other interest on financial liabilities	471,778	437,999
	<u>472,524</u>	<u>438,497</u>

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

8 Taxation

	2016 £	2015 £
Deferred tax		
Origination and reversal of timing differences	(28,635)	(28,450)
Changes in tax rates	(1,265)	-
	<u>(29,900)</u>	<u>(28,450)</u>
Total deferred tax	<u>(29,900)</u>	<u>(28,450)</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Loss before taxation	(496,993)	(377,899)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	(99,399)	(75,580)
Tax effect of expenses that are not deductible in determining taxable profit	204	424
Effect of change in corporation tax rate	(1,265)	-
Depreciation on assets not qualifying for tax allowances	11,484	7,888
Amortisation on assets not qualifying for tax allowances	58,818	38,818
Other tax adjustments	258	-
	<u>(29,900)</u>	<u>(28,450)</u>
Tax expense for the year	<u>(29,900)</u>	<u>(28,450)</u>

9 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2016 £	2015 £
In respect of:		
Goodwill	100,000	-
	<u>100,000</u>	<u>-</u>
Recognised in:		
Administrative expenses	100,000	-
	<u>100,000</u>	<u>-</u>

The impairment losses in respect of intangible assets are recognised in administrative expenses in the profit and loss account, and reflect the directors' assessment of trading difficulties in acquired sites which are primarily attributable to external factors.

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

10 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 May 2015 and 30 April 2016	4,574,753
Amortisation and impairment	
At 1 May 2015	1,212,930
Amortisation charged for the year	263,388
Impairment losses	100,000
At 30 April 2016	1,576,318
Carrying amount	
At 30 April 2016	2,998,435
At 30 April 2015	3,361,823

The company had no intangible fixed assets at 30 April 2016 or 30 April 2015.

Goodwill represents the premium paid to acquire the group's two subsidiaries, Bagel Nash Limited and Bagel Nash (Retail) Limited. This premium represents primarily the Bagel Nash brand and access to trading outlets with existing customers, however on transition to FRS 102 the directors have taken advantage of the exemption set out in Section 35.10(a) of FRS 102 which permit it to not separately recognise these intangible assets included within goodwill.

More information on the impairment arising in the year is given in note 9.

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

11 Tangible fixed assets

Group	Leasehold property	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 May 2015	1,168,594	282,174	676,905	2,127,673
Additions	83,787	51,054	95,644	230,485
Disposals	-	(3,750)	(1,071)	(4,821)
At 30 April 2016	1,252,381	329,478	771,478	2,353,337
Depreciation and impairment				
At 1 May 2015	294,641	47,696	243,379	585,716
Depreciation charged in the year	127,279	34,594	97,113	258,986
Eliminated in respect of disposals	-	(1,580)	(632)	(2,212)
At 30 April 2016	421,920	80,710	339,860	842,490
Carrying amount				
At 30 April 2016	830,461	248,768	431,618	1,510,847
At 30 April 2015	873,953	234,478	433,526	1,541,957

The company had no tangible fixed assets at 30 April 2016 or 30 April 2015.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2016 £	2015 £	Company 2016 £	2015 £
Plant and machinery	28,248	13,431	-	-
Depreciation charge for the year in respect of leased assets	1,858	1,580	-	-

12 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	26	-	-	5,516,950	5,516,950

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

13 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	536,241	611,136	3,250	337,472
Equity instruments measured at cost less impairment	-	-	5,516,950	5,516,950
Carrying amount of financial liabilities				
Measured at amortised cost	6,453,667	6,418,756	5,371,284	5,226,243

14 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Raw materials and consumables	50,245	27,684	-	-
Finished goods and goods for resale	130,687	134,827	-	-
	180,932	162,511	-	-

15 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	384,782	498,335	-	-
Amounts due from subsidiary undertakings	-	-	-	337,472
Other debtors	53,074	57,112	3,250	-
Prepayments and accrued income	276,567	277,460	-	-
	714,423	832,907	3,250	337,472
Deferred tax asset (note 20)	60,650	10,100	-	-
	775,073	843,007	3,250	337,472

16 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Other loans	5,329,961	5,226,243	5,329,961	5,226,243
Payable within one year	1,870,620	1,196,024	1,870,620	1,196,024
Payable after one year	3,459,341	4,030,219	3,459,341	4,030,219

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

16 Loans and overdrafts

(Continued)

Other loans are comprised of capital and accrued interest on the following at the year end:

- a minimum 3 year loan of £2,421,167 (2015 - £2,421,167) on which interest is charged at 11.00%, with year end balance £3,129,834 (2015 - £2,833,795) of which £170,792 (2015 - £152,194) is included within creditors due within one year;
- a loan of £1,300,000 (2015 - £1,300,000) which is repayable in two equal instalments on 15 July 2015 and 15 July 2016 (which have been deferred indefinitely), and on which interest is charged at the higher of 5.00% or 4.00% plus base rate, with year end balance £1,314,728 (2015 - £1,305,565), of which £664,728 (2015 - £655,565) is included within creditors due within one year;
- a loan of £1,200,000 (2015 - £1,200,000) which is being repaid over a fixed term and attracts interest at 9.00%, with year end balance £705,399 (2015 - £906,883) of which £205,101 (2015 - £208,264) is included within creditors due within one year; and
- an interest free loan of £180,000, which is repayable on demand.

The loans are secured by a first legal mortgage and a fixed charge over certain assets of the company and its subsidiary undertakings.

17 Finance lease obligations

	Group 2016 £	2015 £	Company 2016 £	2015 £
Future minimum lease payments due under finance leases:				
Within one year	8,298	4,448	-	-
In two to five years	15,428	5,509	-	-
	<u>23,726</u>	<u>9,957</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(2,618)	(740)	-	-
	<u>21,108</u>	<u>9,217</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group 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. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The finance lease arrangements are secured by way of a fixed charge on the assets to which each contract relate.

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

18 Creditors: amounts falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Obligations under finance leases	17	7,182	3,956	-	-
Other borrowings	16	1,870,620	1,196,024	1,870,620	1,196,024
Trade creditors		734,142	755,343	-	-
Amounts due to group undertakings		-	-	24,657	-
Other taxation and social security		79,247	76,193	-	-
Other creditors		40,671	201,677	-	-
Accruals and deferred income		327,785	226,276	16,666	-
		<u>3,059,647</u>	<u>2,459,469</u>	<u>1,911,943</u>	<u>1,196,024</u>

19 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Obligations under finance leases	17	13,926	5,261	-	-
Other borrowings	16	3,459,341	4,030,219	3,459,341	4,030,219
		<u>3,473,267</u>	<u>4,035,480</u>	<u>3,459,341</u>	<u>4,030,219</u>

20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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:

Group	Liabilities 2016 £	Liabilities 2015 £	Assets 2016 £	Assets 2015 £
Accelerated capital allowances	36,300	52,550	-	-
Tax losses	-	(23,100)	29,900	10,100
Provisions	-	(13,800)	30,750	-
	<u>36,300</u>	<u>15,650</u>	<u>60,650</u>	<u>10,100</u>

The company has no deferred tax assets or liabilities.

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

20 Deferred taxation

(Continued)

	Group 2016 £	Company 2016 £
Movements in the year:		
Liability at 1 May 2015	5,550	-
Charge to profit or loss	(28,635)	-
Effect of change in tax rate	(1,265)	-
Liability at 30 April 2016	(24,350)	-

The deferred tax set out above is expected to substantially reverse within 12 months and relates to the utilisation of tax losses and allowances against future expected profits of the same period.

21 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	3,737	1,914

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

	Group and company 2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
339,300 Ordinary shares of 10p each	33,930	33,930
226,200 Ordinary A shares of 10p each	22,620	22,620
63,330 Ordinary B shares of 10p each	6,333	6,333
250,000 Ordinary C shares of 10p each	25,000	25,000
	87,883	87,883

The Ordinary, Ordinary A and Ordinary B shares rank pari-passu in all respects. The Ordinary C shares are non-voting.

23 Financial commitments, guarantees and contingent liabilities

The group has no financial commitments, guarantees or contingent liabilities other than as disclosed in note 24.

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

24 Operating lease commitments

Lessee

The operating leases represent lease commitments to third parties for land and buildings. The leases are negotiated over varying terms. The group uses leases across a number of different production and retail sites to allow it to react to changes in market conditions without significant capital outlay.

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

	Group 2016 £	2015 £	Company 2016 £	2015 £
Within one year	449,132	503,982	-	-
Between two and five years	1,214,085	1,297,974	-	-
In over five years	1,194,682	1,443,845	-	-
	<u>2,857,899</u>	<u>3,245,801</u>	<u>-</u>	<u>-</u>

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	<u>245,109</u>	<u>221,586</u>

No guarantees have been given or received.

Group

At the balance sheet date, the group owed £38,091 (2015 - £200,000) to Mr A Micklethwaite, a director of Bagel Nash Group Ltd. The loan is interest free, has no fixed date for repayment, and is included within other creditors.

Also included within creditors is a balance of £19,796 (2015 - £16,219) due to Phil Siddall Consulting Limited, a company under the control of Mr P G Siddall, a director of Bagel Nash Group Ltd. Amounts expensed in the year are aggregated within directors' remuneration as shown in note 27.

Company

The company has taken advantage of the disclosure exemptions of Section 33.1A of FRS 102 which permit it to not present details of its transactions with members of the group headed by Bagel Nash Group Limited where relevant group companies are all wholly owned. Details of outstanding balances as at the year end are given in notes 15 and 18.

BAGEL NASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

26 Subsidiaries

Details of the company's subsidiaries at 30 April 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect	
Bagel Nash Limited	England & Wales	Bakery and food production	Ordinary	100.00	
Bagel Nash (Retail) Limited	England & Wales	Food retail outlets	Ordinary	100.00	

27 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	244,697	221,405
Company pension contributions to defined contribution schemes	412	181
	<u>245,109</u>	<u>221,586</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>96,878</u>	<u>93,810</u>
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28 Cash generated from group operations

	2016 £	2015 £
Loss for the year after tax	(467,093)	(349,449)
Adjustments for:		
Taxation credited	(29,900)	(28,450)
Finance costs	472,524	438,497
Loss on disposal of tangible fixed assets	1,018	1,175
Amortisation and impairment of intangible assets	363,388	263,388
Depreciation and impairment of tangible fixed assets	258,986	238,190
Movements in working capital:		
(Increase) in stocks	(18,421)	(7,219)
Decrease/(increase) in debtors	111,321	(95,084)
(Decrease)/increase in creditors	(70,481)	83,779
Cash generated from operations	<u>621,342</u>	<u>544,827</u>