

**REGISTRAR OF
COMPANIES**

Food Etc Restaurants Limited

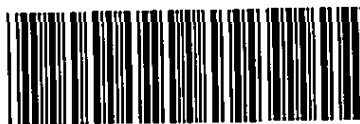
Report and Financial Statements

For the 79 Weeks Ended

2 January 2011

Company Number 04525126

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Food Etc Restaurants Limited

**Report and financial statements
for the 79 weeks ended 2 January 2011**

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Directors

D J McDonald
J W S Lawrence

Secretary and registered office

J Woolmer, Royalty House, 72-74 Dean Street, London, W1D 3SG

Company number

04525126

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Food Etc Restaurants Limited

Report of the directors for the 79 weeks ended 2 January 2011

The directors present their report together with the audited financial statements for the 79 weeks ended 2 January 2011. The comparative financial information represents the 52 weeks ended 28 June 2009.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the period.

The directors do not recommend the payment of a final dividend (28 June 2009 - £Nil).

Principal activity and review of the business

The principal activity of the company is the operation of restaurants.

Overall, the directors are satisfied with the company's performance and consider that the company is well placed for the ensuing year. Revenue has increased 6.3% on a like for like basis resulting in improved profitability at the operating level.

Directors

The directors of the company during the period were:

D J McDonald
J W S Lawrence

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

Food Etc Restaurants Limited

Report of the directors for the 79 weeks ended 2 January 2011 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Baker Tilly UK Audit LLP resigned as auditors of the company during the period and BDO LLP were appointed as auditors of the company by the directors. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the Board

J W S Lawrence



Director

30 June 2011

Food Etc Restaurants Limited

Independent auditor's report

TO THE MEMBERS OF FOOD ETC RESTAURANTS LIMITED

We have audited the financial statements of Food Etc Restaurants Limited for the 79 weeks ended 2 January 2011 which comprise the profit and loss account, the balance sheet and the related notes. 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).

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 2 January 2011 and of its profit for the period 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Food Etc Restaurants Limited

Independent auditor's report (*continued*)

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

BDO LLP

*David Campbell, (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

30 June 2011

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

Food Etc Restaurants Limited

Profit and loss account for the 79 weeks ended 2 January 2011

	Note	79 weeks ended 2 January 2011 £	52 weeks ended 28 June 2009 £
Turnover	2	3,545,138	2,195,683
Cost of sales		(1,012,143)	(657,654)
Gross profit		2,532,995	1,538,029
Administrative expenses		(2,151,936)	(1,412,883)
Operating profit		381,059	125,146
Interest receivable	3	243	7,990
Profit on ordinary activities before taxation	4	381,302	133,136
Taxation on profit from ordinary activities	6	(107,150)	(42,438)
Profit for the financial period	13	274,152	90,698

The operating profit for the period arises from the company's continuing operations

No separate statement of total recognised gains and losses has been presented, as all such gains and losses have been dealt with in the profit and loss account

The notes on pages 7 to 15 form part of these financial statements

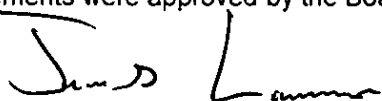
Food Etc Restaurants Limited

Balance sheet at 2 January 2011

Company number 04525126	Note	2 January 2011 £	2 January 2011 £	28 June 2009 £	28 June 2009 £
Fixed assets					
Tangible assets	7		559,184		627,411
Current assets					
Stock	8	29,377		32,408	
Debtors	9	312,989		154,613	
Cash at bank and in hand		384,565		61,489	
		726,931		248,510	
Creditors: amounts falling due within one year	10	551,436		415,627	
Net current assets/(liabilities)			175,495		(167,117)
Total assets less current liabilities			734,679		460,294
Provisions for liabilities	11		(69,264)		(69,031)
Net assets			665,415		391,263
Capital and reserves					
Called up share capital	12		3		3
Profit and loss account	13		665,412		391,260
Shareholders' funds	14		665,415		391,263

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2011

J W S Lawrence
Director



The notes on pages 7 to 15 form part of these financial statements

Food Etc Restaurants Limited

Notes forming part of the financial statements for the 79 weeks ended 2 January 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Going Concern

As highlighted in note 16, the immediate parent of the entity is party to a joint loan facility with various related entities (the "Borrowing Group") that is due for renewal in June 2012. Current economic conditions create uncertainty in particular over the availability of bank finance in the foreseeable future.

The Borrowing Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Borrowing Group should be able to operate within the level of its current facility. The Borrowing Group will open renewal negotiations with the bank in due course and has, at this stage, not sought any written commitment that the facility will be renewed. However, the Borrowing Group has held discussion with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

In assessing the going concern basis of preparation of the financial statements for the period ended 2 January 2011, the directors have taken into consideration detailed cash flow forecasts for the Borrowing Group, and the Borrowing Group's forecast compliance with bank covenants.

The Borrowing Group has sufficient financial resources together with an established and cash generative business model, and access to borrowing facilities. As a consequence, the directors believe that the Borrowing Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Based on this assessment the directors are confident that the Borrowing Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements for the period ended 2 January 2011.

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life. It is calculated at the following rates:

Land and buildings leasehold	- over the term of the lease
Plant and machinery, fixtures, fittings and equipment	- 10% straight line

Stock

Stock is valued at the lower of cost and net realisable value.

Food Etc Restaurants Limited

Notes forming part of the financial statements for the 79 weeks ended 2 January 2011

1 Accounting policies (continued)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Leased assets

All leases are operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Cash flow statement

The company has used the exemption under Financial Reporting Standard 1 "Cash Flow Statements", not to produce a cash flow statement as it was a wholly owned subsidiary of CH Acquisition Limited for the entire period under review. The company's cash flows are included in the consolidated cash flow statement of CH Acquisition Limited.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Interest receivable

	79 weeks ended 2 January 2011 £	52 weeks ended 28 June 2009 £
Group interest receivable	-	4,063
Bank interest receivable	243	3,927
	<hr/>	<hr/>
	243	7,990
	<hr/>	<hr/>

Food Etc Restaurants Limited

Notes forming part of the financial statements
for the 79 weeks ended 2 January 2011 (*continued*)

4 Profit on ordinary activities before taxation

	79 weeks ended 2 January 2011 £	52 weeks ended 28 June 2009 £
This has been arrived at after charging		
Depreciation of tangible assets	90,192	58,575
Operating leases		
- Land and buildings	233,369	152,500
- Other assets	13,244	10,785
Audit fees	4,860	6,136
Tax fees	1,700	-
Loss on disposal of fixed assets	560	-
	<hr/>	<hr/>

5 Employees

	79 weeks ended 2 January 2011 £	52 weeks ended 28 June 2009 £
Staff costs consist of		
Wages and salaries	1,037,034	598,699
Social security costs	77,359	79,738
	<hr/>	<hr/>
	1,114,393	678,437
	<hr/>	<hr/>
	Number	Number
The average monthly number of persons (including directors) employed by the company during the period was		
Directors	2	2
Restaurant and administration	49	48
	<hr/>	<hr/>
	51	50
	<hr/>	<hr/>

None of the directors received any emoluments from the company in the period (28 June 2009 - £Nil)

Food Etc Restaurants Limited

Notes forming part of the financial statements
for the 79 weeks ended 2 January 2011 (*continued*)

6 Taxation on profit from ordinary activities

	79 weeks ended 2 January 2011 £	52 weeks ended 28 June 2009 £
<i>Current tax</i>		
UK corporation tax - current tax	65,479	8,874
UK corporation tax - adjustment in respect of prior years	(9,273)	-
Movement in deferred taxation provision (note 11)	233	11,678
Group relief claimed	44,541	21,886
Group relief - adjustment in respect of prior year	6,170	-
	<hr/>	<hr/>
Tax charge on profit on ordinary activities	107,150	42,438
	<hr/>	<hr/>
Factors affecting tax charge for the period		
Profit on ordinary activities before tax	381,302	133,126
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (28 June 2009 - 28%)	106,765	37,278
Effects of		
Expenses not deductible for tax purposes	3,597	120
Capital allowances for period in excess of depreciation	(771)	(5,489)
Transfer pricing adjustment	988	(1,149)
Short term timing differences	(512)	-
Group relief claimed	(44,541)	(21,886)
Other	(47)	-
	<hr/>	<hr/>
Current tax charge for period	65,479	8,874
	<hr/>	<hr/>

Food Etc Restaurants Limited

Notes forming part of the financial statements
for the 79 weeks ended 2 January 2011 (*continued*)

7 Tangible assets

	Short leasehold land and buildings £	Plant and machinery, fixtures, fittings and equipment £	Total £
<i>Cost</i>			
At 29 June 2009	410,565	409,988	820,553
Additions	-	22,730	22,730
Disposals	-	(1,295)	(1,295)
	<hr/>	<hr/>	<hr/>
At 2 January 2011	410,565	431,423	841,988
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 29 June 2009	75,146	117,996	193,142
Charge in the period	31,814	58,378	90,192
Disposals	-	(530)	(530)
	<hr/>	<hr/>	<hr/>
At 2 January 2011	106,960	175,844	282,804
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 2 January 2011	303,605	255,579	559,184
	<hr/>	<hr/>	<hr/>
At 28 June 2009	335,419	291,992	627,411
	<hr/>	<hr/>	<hr/>

8 Stocks

	2 January 2011 £	28 June 2009 £
Finished goods and foods for resale	29,377	32,408
	<hr/>	<hr/>

There is no material difference between the replacement cost of stocks and the amounts stated above

Food Etc Restaurants Limited

Notes forming part of the financial statements
for the 79 weeks ended 2 January 2011 (*continued*)

9 Debtors: amounts falling due within one year

	2 January 2011 £	28 June 2009 £
Trade debtors	37,279	60,746
Amounts due from group undertakings	187,021	-
Other debtors and prepayments	88,689	93,867
	<u>312,989</u>	<u>154,613</u>

10 Creditors: amounts falling due within one year

	2 January 2011 £	28 June 2009 £
Trade creditors	172,595	176,736
Corporation tax creditor	65,479	10,558
Amounts owed to group undertakings	72,596	26,494
Other taxes and social security costs	113,316	76,680
Accruals and deferred income	127,450	125,159
	<u>551,436</u>	<u>415,627</u>

11 Provisions for liabilities

	Short-term timing differences £	Accelerated capital allowances £	Total £
Deferred taxation			
Deferred tax asset/(liability) at 29 June 2009	1,170	(70,201)	(69,031)
Profit and loss charge for the period (note 6)	-	(233)	(233)
	<u>1,170</u>	<u>(70,434)</u>	<u>(69,264)</u>
Deferred tax asset/(liability) at 2 January 2011			

Food Etc Restaurants Limited

Notes forming part of the financial statements
for the 79 weeks ended 2 January 2011 (*continued*)

12 Share capital

	Authorised			
	2 January 2011 Number	28 June 2009 Number	2 January 2011 £	28 June 2009 £
'A' ordinary shares of 10p each	699,986	699,986	69,999	69,999
'B' ordinary shares of 10p each	299,994	299,994	29,999	29,999
	<u>999,980</u>	<u>999,980</u>	<u>99,998</u>	<u>99,998</u>
	Allotted, called up and fully paid			
	2 January 2011 Number	28 June 2009 Number	2 January 2011 £	28 June 2009 £
'A' ordinary shares of 10p each	21	21	2.10	2 10
'B' ordinary shares of 10p each	9	9	0.90	0 90
	<u>30</u>	<u>30</u>	<u>3</u>	<u>3</u>

The 'A' and 'B' ordinary shares rank *pari passu* in all respects except

- The 'A' shareholders get pre-emption rights on any shares offered for sale
- The 'B' shareholders must transfer their shares if they fail to meet certain conditions per the company's articles of association

13 Statement of movement on reserves

	Profit and loss account £
At 29 June 2009	391,260
Profit for the period	274,152
	<u>665,412</u>
At 2 January 2011	

Food Etc Restaurants Limited

Notes forming part of the financial statements
for the 79 weeks ended 2 January 2011 (*continued*)

14 Reconciliation of movement in shareholder's funds

	79 weeks ended 2 January 2011 £	52 weeks ended 28 June 2009 £
Profit for the financial period	274,152	90,698
Opening shareholder's funds	391,263	300,565
Closing shareholder's funds	665,415	391,263

15 Commitments under operating leases

As at 2 January 2011, the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2 January 2011 £	Other 2 January 2011 £	Land and buildings 28 June 2009 £	Other 28 June 2009 £
Operating leases which expire				
In one to two years	-	-	-	250
In two to five years	145,000	-	-	10,535
Over five years	-	-	152,500	-
	145,000	-	152,500	10,785

16 Contingent Liabilities

The immediate parent company of the entity, Caprice Holdings Limited is party to a joint loan facility with CH Acquisition Limited, Caprice Properties Limited, MBH Group (UK) Limited and MBH Putco Limited, who are related parties as described in the financial statements of that entity. The facility is secured by way of fixed and floating charges over the assets of all of the borrowers and their subsidiaries. At 2 January 2011, the total amount outstanding under the facility was £108.25m (2009 - £108.35m).

17 Related party transactions

The company was 100% owned by Caprice Holdings Limited at the period-end. As a result the company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions" not to disclose any transactions with entities that are included in the consolidated financial statements of CH Acquisition Limited.

Food Etc Restaurants Limited

Notes forming part of the financial statements
for the 79 weeks ended 2 January 2011 (*continued*)

18 Transaction with directors

Details of directors' interest free loan accounts during the period are as follows

	Amount outstanding		Maximum in year	
	2 January 2011 £	28 June 2009 £	2 January 2011 £	28 June 2009 £
D J McDonald	-	-	-	37,000

19 Immediate and ultimate parent company

At 2 January 2011 the company's immediate parent company is Caprice Holdings Limited. The ultimate parent company is Continental Partners International Limited, a company incorporated in Jersey, which is controlled by R A Caring.

The smallest group in which the results of Food Etc Restaurants Limited are consolidated is that headed by CH Acquisition Limited. A copy of these consolidated accounts may be obtained from the registered office.