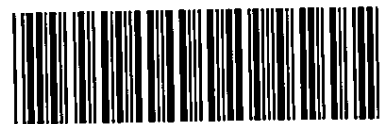


COMPANY REGISTRATION NUMBER 04766293

REGISTRAR  
OF COMPANIES

**IMAGE RESTAURANTS LIMITED**  
**FINANCIAL STATEMENTS**  
**25 JUNE 2007**

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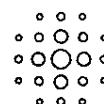
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COMPANIES HOUSE



**MacIntyre Hudson**

THE FUTURE IS WHAT YOU MAKE IT\*

# **IMAGE RESTAURANTS LIMITED**

## **FINANCIAL STATEMENTS**

**PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007**

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# **IMAGE RESTAURANTS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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<b>The board of directors</b>	A J G Bellamy D A L Gunewardena
<b>Company secretary</b>	A J G Bellamy
<b>Registered office</b>	16 Kirby Street London EC1N 8TS
<b>Auditor</b>	MacIntyre Hudson LLP Chartered Accountants & Registered Auditors New Bridge Street House 30 - 34 New Bridge Street London EC4V 6BJ
<b>Bankers</b>	Allied Irish Bank (GB) 361 King Street Hammersmith London W6 9NA

# **IMAGE RESTAURANTS LIMITED**

## **THE DIRECTORS' REPORT**

### **PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007**

---

The directors present their report and the financial statements of the group for the period from 1 July 2006 to 25 June 2007

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year continued to be that of a holding company. The activity of the company's subsidiaries continued to be the running of restaurants.

The directors consider turnover and EBITDA (earnings before interest, taxation, depreciation and amortisation) as the key performance indicators for the company. Turnover for the year decreased slightly from £7,616,848 in 2006 to £7,544,020 in 2007, whilst EBITDA decreased from (£35,059) in 2006 to (£793,884) in 2007.

#### **RESULTS AND DIVIDENDS**

The loss for the period amounted to £1,439,120. The directors have not recommended a dividend.

#### **DIRECTORS**

The directors who served the company during the period were as follows:

A J G Bellamy	(Appointed 25 June 2007)
D A L Gunewardena	(Appointed 25 June 2007)
C C Bodker	(Resigned 25 June 2007)
R H Brooks	(Resigned 25 June 2007)
S A R Rose	(Resigned 25 June 2007)
M A Spencer	(Resigned 25 June 2007)

#### **POLICY ON THE PAYMENT OF CREDITORS**

The group's current policy concerning the payment of trade creditors is to settle the terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts and pay in accordance with the company's contractual and other legal obligations. As at 30 June 2007 the creditor days for the group was 75.

# IMAGE RESTAURANTS LIMITED

## THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

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### DIRECTORS' RESPONSIBILITIES

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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group 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 estimates that are reasonable and prudent,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

there is no relevant audit information of which the group's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the directors



A J G Bellamy  
Director

Approved by the directors on 26.03 08

# **IMAGE RESTAURANTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IMAGE RESTAURANTS LIMITED**

**PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007**

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We have audited the group and parent company financial statements ("the financial statements") of Image Restaurants Limited for the period from 1 July 2006 to 25 June 2007 which comprise the Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Cash Flow Statement and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

# IMAGE RESTAURANTS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IMAGE RESTAURANTS LIMITED *(continued)*

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

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We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### OPINION

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 25 June 2007 and of the group's loss for the period then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and


the information given in the Directors' Report is consistent with the financial statements

### EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the parent company's continued financial support for the company. In view of the significance of this matter, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

New Bridge Street House  
30 - 34 New Bridge Street  
London  
EC4V 6BJ

28 March 2008

  
MACINTYRE HUDSON LLP  
Chartered Accountants  
& Registered Auditors

# IMAGE RESTAURANTS LIMITED

## PROFIT AND LOSS ACCOUNT

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

	Note	Period from 1 Jul 06 to 25 Jun 07 £	Year to 30 Jun 06 £
<b>GROUP TURNOVER</b>	<b>2</b>	<b>7,544,020</b>	<b>7,616,848</b>
Cost of sales		<u>2,501,935</u>	<u>2,493,423</u>
<b>GROSS PROFIT</b>		<b>5,042,085</b>	<b>5,123,425</b>
Administrative expenses		<u>6,216,488</u>	<u>5,386,503</u>
<b>OPERATING LOSS</b>	<b>3</b>	<b>(1,174,403)</b>	<b>(263,078)</b>
Interest payable and similar charges	<b>6</b>	<u>264,717</u>	<u>223,316</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(1,439,120)</b>	<b>(486,394)</b>
Tax on loss on ordinary activities	<b>7</b>	<u>-</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(1,439,120)</b>	<b>(486,394)</b>
Minority interests		<u>(6,661)</u>	<u>10,452</u>
<b>LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY</b>	<b>8</b>	<b>(1,432,459)</b>	<b>(496,846)</b>
<b>LOSS FOR THE FINANCIAL PERIOD</b>		<b><u>(1,432,459)</u></b>	<b><u>(496,846)</u></b>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the period as set out above

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account

The notes on pages 10 to 21 form part of these financial statements



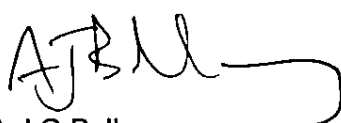
# IMAGE RESTAURANTS LIMITED

## GROUP BALANCE SHEET

25 JUNE 2007

	Note	25 Jun 07 £	£	30 Jun 06 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9	2,207,815		2,483,455	
Tangible assets	10	1,089,999		1,352,690	
		<u>3,297,814</u>		<u>3,836,145</u>	
<b>CURRENT ASSETS</b>					
Stocks	12	86,843		120,859	
Debtors	13	298,732		444,934	
Cash at bank and in hand		6,069		46,017	
		<u>391,644</u>		<u>611,810</u>	
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>3,993,232</u>		<u>2,987,383</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(3,601,588)</u>		<u>(2,375,573)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(303,774)</u>		<u>1,460,572</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	15		<u>1,808,536</u>		<u>2,007,977</u>
			<u>(2,112,310)</u>		<u>(547,405)</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	20	67,892		64,667	
Share premium account	21	1,176,056		1,176,056	
Profit and loss account	21	<u>(3,355,783)</u>		<u>(1,923,324)</u>	
<b>DEFICIT</b>	22	<u>(2,111,835)</u>		<u>(682,601)</u>	
<b>MINORITY INTERESTS</b>			<u>(475)</u>		<u>135,196</u>
			<u>(2,112,310)</u>		<u>(547,405)</u>

These financial statements were approved by the directors and authorised for issue on 26.03.08, and are signed on their behalf by

  
A J G Bellamy  
Director

The notes on pages 10 to 21 form part of these financial statements

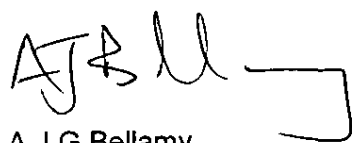
# IMAGE RESTAURANTS LIMITED

## BALANCE SHEET

25 JUNE 2007

	Note	25 Jun 07 £	£	30 Jun 06 £	£
<b>FIXED ASSETS</b>					
Investments	11		72,765		69,540
<b>CURRENT ASSETS</b>					
Debtors	13	965,344		1,359,492	
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>199,877</u>		<u>199,877</u>	
<b>NET CURRENT ASSETS</b>			<u>765,467</u>		<u>1,159,615</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>838,232</u>		<u>1,229,155</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	20		67,892		64,667
Share premium account	21		1,176,056		1,176,056
Profit and loss account	21		(405,716)		(11,568)
<b>SHAREHOLDERS' FUNDS</b>			<u>838,232</u>		<u>1,229,155</u>

These financial statements were approved by the directors and authorised for issue on 26.03.08, and are signed on their behalf by



A J G Bellamy  
Director

The notes on pages 10 to 21 form part of these financial statements

# IMAGE RESTAURANTS LIMITED

## GROUP CASH FLOW STATEMENT

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

	Note	Period from 1 Jul 06 to 25 Jun 07 £	£	Year to 30 Jun 06 £	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	23		504,923		534,537
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Interest paid		(280,683)		(236,912)	
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			(280,683)		(236,912)
<b>CAPITAL EXPENDITURE</b>					
Payments to acquire tangible fixed assets		(51,121)		(147,586)	
Receipts from sale of fixed assets		6,256		—	
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>			(44,865)		(147,586)
<b>CASH INFLOW BEFORE FINANCING</b>			179,375		150,039
<b>FINANCING</b>	23		(197,492)		(257,030)
<b>DECREASE IN CASH</b>	23		(18,117)		(106,991)

The notes on pages 10 to 21 form part of these financial statements

# **IMAGE RESTAURANTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention

The company is dependent on the continued support of its parent company (see note 24) to provide sufficient funds to enable the company to operate as a going concern. On the basis of this information, the directors consider it appropriate to prepare the financial statements on the going concern basis.

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over 20 years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of value added tax and service charges.

#### **Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 25 years. This rebuts the FRS 10 presumption that goodwill will not be written off over a period exceeding 20 years on the basis that the durability of the acquired business justifies estimation of the useful economic life to exceed 20 years, and that it is capable of continued measurement.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

#### **Fixed assets**

All fixed assets are initially recorded at cost.

# **IMAGE RESTAURANTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007**

---

### **1. ACCOUNTING POLICIES *(continued)***

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	- over the life of the lease
Fixtures, fittings and equipment	- 4/5 years straight line
Motor vehicles	- 5 years straight line

#### **Stocks**

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

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

# IMAGE RESTAURANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

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### 2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the group

An analysis of turnover is given below

	Period from 1 Jul 06 to 25 Jun 07 £	Year to 30 Jun 06 £
United Kingdom	<u>7,544,020</u>	<u>7,616,848</u>

### 3. OPERATING LOSS

Operating loss is stated after charging

	Period from 1 Jul 06 to 25 Jun 07 £	Year to 30 Jun 06 £
Amortisation	149,856	149,856
Depreciation of owned fixed assets	234,708	225,019
Loss on disposal of fixed assets	72,848	—
Auditor's remuneration		
- as auditor	26,711	32,918
Operating lease costs		
Other	<u>725,224</u>	<u>674,484</u>

# IMAGE RESTAURANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial period amounted to

	Period from 1 Jul 06 to 25 Jun 07 No	Year to 30 Jun 06 No
Office and management	4	9
Restaurant and catering	183	172
	<u>187</u>	<u>181</u>

The aggregate payroll costs of the above were

	Period from 1 Jul 06 to 25 Jun 07 £	Year to 30 Jun 06 £
Wages and salaries	2,753,516	2,886,266
Social security costs	237,278	250,015
	<u>2,990,794</u>	<u>3,136,281</u>

### 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	Period from 1 Jul 06 to 25 Jun 07 £	Year to 30 Jun 06 £
Emoluments receivable	<u>97,821</u>	<u>143,750</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 1 Jul 06 to 25 Jun 07 £	Year to 30 Jun 06 £
Interest payable on bank borrowing	260,671	223,316
Other similar charges payable	4,046	—
	<u>264,717</u>	<u>223,316</u>

# IMAGE RESTAURANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

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### 7. TAXATION ON ORDINARY ACTIVITIES

#### Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30% (2006 - 19%)

	Period from 1 Jul 06 to 25 Jun 07 £	Year to 30 Jun 06 £
Loss on ordinary activities before taxation	<u>(1,439,120)</u>	<u>(486,394)</u>
Loss on ordinary activities by rate of tax	(431,736)	(92,415)
Excess of depreciation over capital allowances	47,519	29,560
Expenses not deductible for tax purposes	56,652	3,022
Losses brought forward	-	38,387
Tax losses not utilised	<u>327,565</u>	<u>21,446</u>
Total current tax	<u>-</u>	<u>-</u>

### 8. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the accounts of the parent company was £394,148 (2006 (£1,062))

### 9. INTANGIBLE FIXED ASSETS

Group	Goodwill £
<b>COST</b>	
At 1 July 2006 and 25 June 2007	<u>3,028,277</u>
<b>AMORTISATION</b>	
At 1 July 2006	544,821
Charge for the period	149,856
Transfers	125,785
At 25 June 2007	<u>820,462</u>
<b>NET BOOK VALUE</b>	
At 25 June 2007	<u>2,207,815</u>
At 30 June 2006	<u>2,483,456</u>



# IMAGE RESTAURANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

### 10. TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Fixtures, fittings and equipment £	Motor Vehicles £	Total £
<b>COST</b>				
At 1 July 2006	2,900,469	1,688,173	17,431	4,606,073
Additions	10,689	40,432	–	51,121
Disposals	(123,984)	(6,255)	–	(130,239)
<b>At 25 June 2007</b>	<b><u>2,787,174</u></b>	<b><u>1,722,350</u></b>	<b><u>17,431</u></b>	<b><u>4,526,955</u></b>
<b>DEPRECIATION</b>				
At 1 July 2006	1,730,059	1,505,894	17,430	3,253,383
Charge for the period	157,938	76,770	–	234,708
On disposals	(51,135)	–	–	(51,135)
<b>At 25 June 2007</b>	<b><u>1,836,862</u></b>	<b><u>1,582,664</u></b>	<b><u>17,430</u></b>	<b><u>3,436,956</u></b>
<b>NET BOOK VALUE</b>				
<b>At 25 June 2007</b>	<b><u>950,312</u></b>	<b><u>139,686</u></b>	<b><u>1</u></b>	<b><u>1,089,999</u></b>
At 30 June 2006	<u>1,170,410</u>	<u>182,279</u>	<u>1</u>	<u>1,352,690</u>

### 11. INVESTMENTS

Company	Subsidiary companies £
<b>COST</b>	
At 1 July 2006	69,540
Additions	3,225
<b>At 25 June 2007</b>	<b><u>72,765</u></b>
<b>NET BOOK VALUE</b>	
<b>At 25 June 2007</b>	<b><u>72,765</u></b>
At 30 June 2006	<u>69,540</u>

The company had the following subsidiary undertakings at 25 June 2007, all wholly owned and incorporated in England & Wales

Moving Image Restaurants Limited  
Mirror Image Restaurants Limited  
Place Restaurants Limited

The trading activity of all subsidiary undertakings is the running of restaurants

# IMAGE RESTAURANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

### 12. STOCKS

	Group		Company	
	25 Jun 07	30 Jun 06	25 Jun 07	30 Jun 06
	£	£	£	£
Liquor and food stocks	<u>86,843</u>	<u>120,859</u>	<u>—</u>	<u>—</u>

### 13. DEBTORS

	Group		Company	
	25 Jun 07	30 Jun 06	25 Jun 07	30 Jun 06
	£	£	£	£
Trade debtors	115,542	97,467	—	—
Amounts owed by group undertakings	—	—	965,344	1,359,492
Other debtors	112,994	105,750	—	—
Prepayments and accrued income	<u>70,196</u>	<u>241,717</u>	<u>—</u>	<u>—</u>
	<u>298,732</u>	<u>444,934</u>	<u>965,344</u>	<u>1,359,492</u>

The debtors above include the following amounts falling due after more than one year

	Group		Company	
	25 Jun 07	30 Jun 06	25 Jun 07	30 Jun 06
	£	£	£	£
Other debtors	<u>105,750</u>	<u>105,750</u>	<u>—</u>	<u>—</u>

### 14. CREDITORS: Amounts falling due within one year

	Group		Company	
	25 Jun 07	30 Jun 06	25 Jun 07	30 Jun 06
	£	£	£	£
Bank loans and overdrafts	667,672	687,553	—	—
Trade creditors	878,664	1,100,219	—	—
Amounts owed to group undertakings	—	—	199,877	199,877
Directors' loan accounts	—	373,782	—	—
Other taxation and social security	1,073,648	567,284	—	—
Other creditors	698,839	107,686	—	—
Accruals and deferred income	<u>674,409</u>	<u>150,859</u>	<u>—</u>	<u>—</u>
	<u>3,993,232</u>	<u>2,987,383</u>	<u>199,877</u>	<u>199,877</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	Group		Company	
	25 Jun 07	30 Jun 06	25 Jun 07	30 Jun 06
	£	£	£	£
Bank loans and overdrafts	<u>349,261</u>	<u>687,553</u>	<u>—</u>	<u>—</u>

# IMAGE RESTAURANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

### 15. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	25 Jun 07	30 Jun 06	25 Jun 07	30 Jun 06
	£	£	£	£
Bank loans and overdrafts	<u>1,808,536</u>	<u>2,007,977</u>	<u>-</u>	<u>-</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	Group		Company	
	25 Jun 07	30 Jun 06	25 Jun 07	30 Jun 06
	£	£	£	£
Bank loans and overdrafts	<u>1,808,536</u>	<u>2,007,977</u>	<u>-</u>	<u>-</u>

### 16. CREDITORS - BANK LOANS AND OVERDRAFTS

Creditors include finance capital which is due for repayment as follows

	Group		Company	
	25 Jun 07	30 Jun 06	25 Jun 07	30 Jun 06
	£	£	£	£
Amounts repayable				
In one year or less or on demand	503,723	505,000	-	-
In more than one year but not more than two years	512,956	545,600	-	-
In more than two years but not more than five years	<u>1,295,580</u>	<u>1,462,377</u>	<u>-</u>	<u>-</u>
	<u>2,312,259</u>	<u>2,512,977</u>	<u>-</u>	<u>-</u>

### 17. DEFERRED TAXATION

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	25 Jun 07		30 Jun 06	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	-	121,969	-	69,984
Tax losses available	-	<u>910,591</u>	-	<u>423,061</u>
	<u>-</u>	<u>1,032,560</u>	<u>-</u>	<u>493,045</u>

No deferred tax asset has been provided in the financial statements

# IMAGE RESTAURANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

### 18. COMMITMENTS UNDER OPERATING LEASES

At 25 June 2007 the group had annual commitments under non-cancellable operating leases as set out below

Group	25 Jun 07		30 Jun 06	
	Land and buildings £	Other items £	Land and Buildings £	Other items £
Operating leases which expire				
Within 2 to 5 years	217,500	3,380	180,000	3,380
After more than 5 years	244,900	-	436,500	-
	<u>462,400</u>	<u>3,380</u>	<u>616,500</u>	<u>3,380</u>

### 19. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

### 20. SHARE CAPITAL

#### Authorised share capital:

	25 Jun 07	30 Jun 06
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

#### Allotted, called up and fully paid:

	25 Jun 07		30 Jun 06	
	No	£	No	£
Ordinary shares of £1 each	<u>67,892</u>	<u>67,892</u>	<u>64,667</u>	<u>64,667</u>

On 21 June 2007, the company issued 3,225 Ordinary shares of £1 each in order to acquire the minority interest shareholding in one of its subsidiary undertakings, Place Restaurants Limited

# IMAGE RESTAURANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

### 21. RESERVES

Group	Share premium account £	Profit and loss account £
Balance brought forward	1,176,056	(1,923,324)
Loss for the period	—	(1,432,459)
Balance carried forward	<u>1,176,056</u>	<u>(3,355,783)</u>
Company	Share premium account £	Profit and loss account £
Balance brought forward	1,176,056	(11,568)
Loss for the period	—	(394,148)
Balance carried forward	<u>1,176,056</u>	<u>(405,716)</u>

### 22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	25 Jun 07 £	30 Jun 06 £
Loss for the financial period	(1,432,459)	(496,846)
New ordinary share capital subscribed	<u>3,225</u>	<u>—</u>
Net reduction to shareholders' deficit	(1,429,234)	(496,846)
Opening shareholders' deficit	<u>(682,601)</u>	<u>(185,755)</u>
Closing shareholders' deficit	<u>(2,111,835)</u>	<u>(682,601)</u>

# IMAGE RESTAURANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

### 23. NOTES TO THE STATEMENT OF CASH FLOWS

#### RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period from 1 Jul 06 to 25 Jun 07 £	Year to 30 Jun 06 £
Operating loss	(1,174,403)	(263,078)
Interest payable	15,966	13,596
Amortisation	149,856	149,856
Depreciation	234,708	225,019
Loss on disposal of fixed assets	72,848	—
Decrease in stocks	34,016	16,820
Decrease/(increase) in debtors	146,202	(31,297)
Increase in creditors	1,025,730	423,621
Net cash inflow from operating activities	<u>504,923</u>	<u>534,537</u>

#### FINANCING

	Period from 1 Jul 06 to 25 Jun 07 £	Year to 30 Jun 06 £
Issue of equity share capital	3,225	—
Repayment of bank loans	(200,717)	(257,030)
Net cash outflow from financing	<u>(197,492)</u>	<u>(257,030)</u>

#### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	25 Jun 07 £	30 Jun 06 £
Decrease in cash in the period	(18,117)	(106,991)
Net cash outflow from bank loans	<u>200,717</u>	<u>257,030</u>
	182,600	150,039
Change in net debt	182,600	150,039
Net debt at 1 July 2006	(2,649,513)	(2,799,551)
Net debt at 25 June 2007	<u>(2,470,139)</u>	<u>(2,649,513)</u>

# IMAGE RESTAURANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JULY 2006 TO 25 JUNE 2007

### 23. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

#### ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jul 2006 £	Cash flows £	At 25 Jun 2007 £
Net cash			
Cash in hand and at bank	46,017	(39,948)	6,069
Overdrafts	(182,553)	18,605	(163,948)
	<u>(136,536)</u>	<u>(21,343)</u>	<u>(157,879)</u>
Debt			
Debt due within 1 year	(505,000)	1,276	(503,724)
Debt due after 1 year	(2,007,977)	199,441	(1,808,536)
	<u>(2,512,977)</u>	<u>200,717</u>	<u>(2,312,260)</u>
Net debt	<u>(2,649,513)</u>	<u>179,374</u>	<u>(2,470,139)</u>

### 24. ULTIMATE PARENT COMPANY

Until 24 June 2007 there was no overall controlling party. On 25 June 2007 the company became a wholly owned subsidiary of C G L Restaurants Limited, a company incorporated in England and Wales.