

## Ground Restaurants Limited

Report and Financial Statements

Period Ended

27 June 2010

Company Number 5751450



# **Ground Restaurants Limited**

## **Report and financial statements for the period ended 27 June 2010**

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### **Directors**

E Standring  
A Kaye  
R T Hooft  
M Dale

### **Secretary and registered office**

Stephen Easthope, 229-231 Kensington High Street, London, W8 6SA

### **Company number**

5751450

### **Auditors**

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

# **Ground Restaurants Limited**

## **Report of the directors for the period ended 27 June 2010**

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The directors present their report together with the audited financial statements for the period ended 27 June 2010.

### **Results and dividends**

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

The directors do not recommend the payment of a dividend

### **Principal activity**

The company's principal activity during the period was the operation of restaurants

### **Directors**

The directors of the company during the period were

E Standing  
A Kaye  
R 'T Hooft  
M Dale

### **Employment of disabled persons**

It is the policy of the company to give full and fair consideration to applications for employment from disabled persons and to continue wherever possible the employment of members of staff who may become disabled and to ensure that a suitable training, career development and promotion programme is encouraged

### **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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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.

# Ground Restaurants Limited

## Report of the directors for the period ended 27 June 2010 (*continued*)

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### 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.

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 the directors' report advantage has been taken of the small companies exemption under the Companies Act 2006.

### On behalf of the Board

E Standing



### Director

Date

29/3/2011

# **Ground Restaurants Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF GROUND RESTAURANTS LIMITED**

We have audited the financial statements of Ground Restaurants Limited for the period ended 27 June 2010 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 sections 495 and 496 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](http://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 27 June 2010 and of its loss 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 matter prescribed by the Companies Act 2006**

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

# Ground Restaurants Limited

## Independent auditor's report (*continued*)

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### **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 explanation we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

*BDO LLP*

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

31 March 2011

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

# Ground Restaurants Limited

## Profit and loss account for the period ended 27 June 2010

	Note	Period ended 27 June 2010 £	Period ended 28 June 2009 £
<b>Turnover</b>		<b>688,098</b>	574,391
Cost of sales		(820,521)	(626,706)
<b>Gross loss</b>		<b>(132,423)</b>	(52,315)
<b>Administrative expenses</b>			
Impairment charge		(153,000)	-
Other administrative expenses		(36,357)	(15,905)
Total administrative expenses		(189,357)	(15,905)
<b>Operating loss</b>	3	<b>(321,780)</b>	(68,220)
Loss on disposal of fixed assets	4	-	(212,166)
<b>Loss on ordinary activities before taxation</b>		<b>(321,780)</b>	(280,386)
Taxation on loss from ordinary activities	5	-	-
<b>Loss on ordinary activities after taxation</b>	12	<b>(321,780)</b>	(280,386)

All amounts relate to continuing activities

There are no differences between the loss on ordinary activities before taxation and the retained loss for the period stated above and their historical cost equivalents

The notes on pages 7 to 13 form part of these financial statements

# Ground Restaurants Limited

## Balance sheet at 27 June 2010

<i>Company number 5751450</i>	Note	27 June 2010 £	27 June 2010 £	28 June 2009 £	28 June 2009 £
<b>Fixed assets</b>					
Tangible assets	6		580,431		308,287
<b>Current assets</b>					
Stocks	7	34,491		5,852	
Debtors	8	79,612		35,459	
Cash at bank and in hand		22,213		19,682	
		<u>136,316</u>		<u>60,993</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>1,523,221</u>		<u>853,974</u>	
<b>Net current liabilities</b>			<u>(1,386,905)</u>		<u>(792,981)</u>
<b>Total assets less current liabilities</b>			<u>(806,474)</u>		<u>(484,694)</u>
<b>Net liabilities</b>			<u>(806,474)</u>		<u>(484,694)</u>
<b>Capital and reserves</b>					
Called up share capital	11		100		100
Profit and loss account	12		(806,574)		(484,794)
<b>Shareholders' deficit</b>	13		<u>(806,474)</u>		<u>(484,694)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 March 2010

E Standing  
Director



The notes on pages 7 to 13 form part of these financial statements.



# Ground Restaurants Limited

## Notes forming part of the financial statements for the period ended 27 June 2010

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### 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

#### *Turnover*

Turnover represents invoiced sales of goods and supply of services excluding value added tax. Turnover is recognised when the goods or services have been provided. All turnover originates in the UK.

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided at the following annual rates in order to write down to estimated residual value the cost of each asset over its estimated useful life on a straight line basis

Equipment	-	20%
Furniture, fixtures and fittings	-	10%
Leasehold improvements	-	Depreciated over lease term

#### *Stocks*

Stocks comprise food and drink held for resale. Stocks are valued at the lower of cost and net realisable value. Cost is based on the purchase cost on a first-in, first-out basis.

#### *Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

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, tax in the future.

Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted, or where there are deferred tax liabilities against which the assets can be recovered.

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

#### *Operating leases*

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the terms of the lease. Incentives received to enter into lease agreements are released over the life of the lease.

# Ground Restaurants Limited

## Notes forming part of the financial statements for the period ended 27 June 2010 (continued)

### 1 Accounting policies (continued)

#### Financial support

The company is in a net liabilities position, however, the directors have considered the financial position of the company and concluded that it is appropriate to prepare the accounts on a going concern basis. This is after taking into account the assurances provided by Relish Restaurants Limited, the parent company, that it will provide such funds so as to enable the company to meet its financial obligations as they fall due for the foreseeable future. Furthermore, the directors have received assurances from PandoraExpress LP, the ultimate parent company, that it will not seek any repayment of the amounts owed by the Company to PandoraExpress LP unless the Company is in a position to pay it.

#### Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised).

#### Pension costs

The company does not operate a staff pension scheme.

### 2 Employees

	Period ended 27 June 2010 £	Period ended 28 June 2009 £
Staff costs consist of		
Wages	205,225	149,580
Management salaries	74,209	49,127
Social security costs	22,748	16,186
	<b>302,182</b>	<b>214,893</b>
The average number of employees during the period was:	<b>Number</b>	<b>Number</b>
Office and management	3	2
Production and retail	24	18
	<b>27</b>	<b>20</b>

# Ground Restaurants Limited

Notes forming part of the financial statements  
for the period ended 27 June 2010 (*continued*)

## 3 Operating loss

	Period ended 27 June 2010 £	Period ended 28 June 2009 £
This has been arrived at after charging		
Depreciation of owned tangible fixed assets		
- Equipment and fixtures	14,282	12,601
- Long and short leaseholds	21,613	22,759
Operating lease charges, land and buildings	115,196	115,196

Auditors' remuneration for audit services of £2,000 (2009 - £2,000) was settled by the parent company

## 4 Loss on disposal of fixed assets

	Period ended 27 June 2010 £	Period ended 28 June 2009 £
Provision for disposal of assets	-	212,166

The provision relates to assets to be written off as a result of a rebrand of the unit

## 5 Taxation on loss from ordinary activities

	Period ended 27 June 2010 £	Period ended 28 June 2009 £
Current tax	-	-
Deferred tax	-	-
Taxation on loss on ordinary activities	-	-

# Ground Restaurants Limited

Notes forming part of the financial statements  
for the period ended 27 June 2010 (*continued*)

## 5 Taxation on loss from ordinary activities (*continued*)

The tax assessed for the period is different from the standard rate of corporation tax in the UK. The differences are explained below:

	Period ended 27 June 2010 £	Period ended 28 June 2009 £
Loss on ordinary activities before tax	(321,780)	(280,386)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28% (28 June 2009 - 28%)	(90,098)	(78,508)
Effects of Capital allowances in (excess)/deficit of depreciation	(4,570)	9,901
Tax losses available for carry forward	51,800	9,201
Impairment provisions	42,868	59,406
Current tax charge for period	-	-

## 6 Tangible assets

	Short leasehold improvements £	Furniture, fixtures and fittings £	Equipment £	Total £
<i>Cost</i>				
At 29 June 2009	551,824	26,078	52,317	630,219
Additions	321,874	47,637	91,528	461,039
At 27 June 2010	873,698	73,715	143,845	1,091,258
<i>Depreciation</i>				
At 29 June 2009	251,447	23,610	46,875	321,932
Charge for the period	21,613	1,963	12,319	35,895
Impairment charge	140,000	3,000	10,000	153,000
At 27 June 2010	413,060	28,573	69,194	510,827
<i>Net book value</i>				
At 27 June 2010	460,638	45,142	74,651	580,431
At 28 June 2009	300,377	2,468	5,442	308,287

# Ground Restaurants Limited

## Notes forming part of the financial statements for the period ended 27 June 2010 (*continued*)

### 6 Tangible assets (*continued*)

The company reviewed its tangible assets net book value at 27 June 2010. When testing for impairment, recoverable amounts are measured at their value in use by discounting the future expected cash flows from the assets. These calculations use cash flow projections based on management approved budgets. These cash flows have been discounted at a pre-tax rate of 10%.

### 7 Stocks

	27 June 2010 £	28 June 2009 £
Food and drink held for resale	20,600	5,852
Crockery and sundry stock	13,891	-
	<u>34,491</u>	<u>5,852</u>

### 8 Debtors

	27 June 2010 £	28 June 2009 £
Other debtors	15,000	-
Prepayments and accrued income	64,612	35,459
	<u>79,612</u>	<u>35,459</u>

### 9 Creditors: amounts falling due within one year

	27 June 2010 £	28 June 2009 £
Trade creditors	108,145	25,577
Amounts owed to ultimate parent undertaking	642,601	642,601
Amounts owed to group undertakings	727,779	149,534
Other creditors	17,330	12,028
Other taxation and social security	16,859	10,050
Accruals and deferred income	10,507	14,184
	<u>1,523,221</u>	<u>853,974</u>

Amounts owed to parent and group undertakings are free of interest. Further details of these loan facilities are set out in note 1.

# Ground Restaurants Limited

## Notes forming part of the financial statements for the period ended 27 June 2010 (*continued*)

### 10 Provision for liabilities and charges

#### *Deferred taxation*

There are net deferred tax assets of £95,378 (2009 - £60,151) relating to tax losses and timing differences, which have not been recognised

In the opinion of the directors, there are no other factors that would substantially affect the company's tax charge in future years

### 11 Share capital

	Equity 27 June 2010 £	Equity 28 June 2009 £
<i>Allotted, called up and fully paid</i>	100	100

### 12 Reserves

	Profit and loss account £
At 29 June 2009	(484,794)
Loss for the period	(321,780)
At 27 June 2010	(806,574)

### 13 Reconciliation of movements in shareholders' deficit

	Period ended 27 June 2010 £	Period ended 28 June 2009 £
Opening shareholders' deficit	(484,694)	(204,308)
Loss for the financial period	(321,780)	(280,386)
Closing shareholders' deficit	(806,474)	(484,694)

# Ground Restaurants Limited

Notes forming part of the financial statements  
for the period ended 27 June 2010 (*continued*)

## 14 Commitments under operating leases

As at 27 June 2010, the company had annual commitments under non-cancellable operating leases as set out below

	27 June 2010 Land and buildings £	28 June 2009 Land and buildings £
Operating leases which expire		
Within one year	-	-
In two to five years	-	-
Over five years	123,000	123,000
	<hr/>	<hr/>
	123,000	123,000
	<hr/>	<hr/>

## 15 Ultimate parent company

For the purposes of this note, references to "TDR Capital" are funds managed by TDR Capital LLP, and references to "Capricorn" shall include Capricorn Ventures International Limited and its subsidiaries CV1 Limited and CV2 Limited

The Company's immediate parent undertaking is Relish Restaurants Limited, a company incorporated in England and Wales.

The directors consider that at the balance sheet date the Company's ultimate parent undertaking was PandoraExpress LP, a limited partnership organised under the laws of England and Wales. The Pandora Express 2A Limited group is both the largest and smallest group for which consolidated accounts are drawn up and of which the company is a member. Copies of the consolidated financial statements of Pandora Express 2A Limited are available from 229-231 Kensington High Street, London, W6 8SA.