

## **Indian Restaurants (City) Limited**

Report and Financial Statements

Year Ended

31 March 2013

Company Number 06235344



# **Indian Restaurants (City) Limited**

**Report and financial statements  
for the year ended 31 March 2013**

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## **Directors**

V Singh  
R F Looker  
M Zapico  
B Lefe  
M Whitehead  
S M Miell  
J W Morrison

## **Secretary and registered office**

W Goff, 30-32 Great Smith Street, London, SW1P 3BU

## **Company number**

06235344

## **Auditors**

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

# **Indian Restaurants (City) Limited**

## **Report of the directors for the year ended 31 March 2013**

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The directors present their report together with the audited financial statements for the year ended 31 March 2013. The comparative period is for the 17 months ended 31 March 2012.

### **Results and dividends**

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

No dividends will be distributed for the year ended 31 March 2013 (2012 - £Nil).

### **Principal activities**

The principal activity of the company in the year under review was the provision of bar and food services.

### **Directors**

The directors of the company during the year were:

V Singh  
R F Looker  
M Zapico  
B Lefe  
M Whitehead  
S M Miell  
J W Morrison

### **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 year.

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,
- 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.

## Indian Restaurants (City) Limited

### Report of the directors for the year ended 31 March 2013 (*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. Under the Companies Act 2006 section 487(2) they will be automatically re-appointed as auditors 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

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

On behalf of the Board

V Singh

Director

Date 06/11/2013

# **Indian Restaurants (City) Limited**

## **Independent auditor's report**

### **TO THE MEMBERS OF INDIAN RESTAURANTS (CITY) LIMITED**

We have audited the financial statements of Indian Restaurants (City) Limited for the year ended 31 March 2013 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 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Basis for qualified opinion on the financial statements**

With respect to stock having a carrying value of £84,022 at 31 March 2012 the audit evidence available to us was limited because we did not observe the counting of the physical stock as at 31 March 2012, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures. Any adjustments to this opening balance would have an effect on the profit for the current year.

#### **Qualified opinion on financial statements**

In our opinion, except for the possible effects of matters described in the Basis for qualified opinion on the financial statements paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 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.

#### **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.

# Indian Restaurants (City) Limited

## Independent auditor's report

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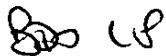
### Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to stock, described above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records had been kept

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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



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

*8 November 2013*

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

## Indian Restaurants (City) Limited

### Profit and loss account for the year ended 31 March 2013

	Note	Year ended 31 March 2013 £	17 months ended 31 March 2012 £
Turnover		2,442,663	3,015,985
Cost of sales		1,456,134	1,744,396
<b>Gross profit</b>		<b>986,529</b>	<b>1,271,589</b>
Administrative expenses		1,153,949	1,181,573
<b>Operating (loss)/profit</b>	2	<b>(167,420)</b>	90,016
Interest receivable and similar income		-	248
Interest payable and similar charges	4	46,568	45,458
<b>(Loss)/profit on ordinary activities before and after taxation</b>	11	<b>(213,988)</b>	44,806

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 7 to 12 form part of these financial statements

# Indian Restaurants (City) Limited

Balance sheet  
at 31 March 2013

Company number 06235344	Note	2013 £	2013 £	2012 £	2012 £
<b>Fixed assets</b>					
Tangible assets	5		1,102,271		1,156,386
<b>Current assets</b>					
Stock	6	52,211		84,022	
Debtors	7	314,796		214,617	
Cash at bank and in hand		98,104		176,600	
		<u>465,111</u>		<u>475,239</u>	
<b>Creditors amounts falling due within one year</b>	8	555,815		618,943	
<b>Net current liabilities</b>			<u>(90,704)</u>		<u>(143,704)</u>
<b>Total assets less current liabilities</b>			<u>1,011,567</u>		<u>1,012,682</u>
<b>Creditors amounts falling due after more than one year</b>	9		<u>943,445</u>		<u>730,572</u>
			<u>68,122</u>		<u>282,110</u>
<b>Capital and reserves</b>					
Called up share capital	10		1,170,500		1,170,500
Profit and loss account	11		(1,102,378)		(888,390)
<b>Shareholders' funds</b>			<u>68,122</u>		<u>282,110</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved by the Board of Directors and authorised for issue on 06/11/2013

V Singh  
Director



The notes on pages 7 to 12 form part of these financial statements



# Indian Restaurants (City) Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013

## 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*

The financial statements have been prepared on a going concern basis. The directors have reviewed the going concern basis and have concluded that based on the financial projections for the next 12 months and the continued support from Indian Restaurants Limited the going concern basis is appropriate

### *Turnover*

Turnover represents net invoiced sales of goods, excluding value added tax

### *Tangible fixed assets*

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Short leasehold improvements	-	straight line over the term of the lease
Fixtures and fittings	-	reducing balance over 3 years
Office equipment	-	reducing balance over 3 years

### *Deferred tax*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. The recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted

### *Cash flow statement*

The company has taken advantage under Financial Reporting Standard 1, 'Cash Flow Statements' not to prepare a cash flow statement

### *Stocks*

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs for completion and disposal

### *Operating lease commitments*

Rentals paid under operating leases are charged to the profit and loss account as incurred

Reverse premiums and similar incentives received to enter into operating lease agreements are released to the profit and loss account over the period to which the rent is first expected to be adjusted to the prevailing market rate

# Indian Restaurants (City) Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (continued)

## 1 Accounting policies (continued)

### Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with fair value of goods and services received.

## 2 Operating (loss)/profit

	Year ended 31 March 2013 £	17 months ended 31 March 2012 £
This has been arrived at after charging		
Depreciation - owned assets	140,426	150,075
Hire of other assets - operating leases	200,000	200,000
Auditors remuneration		
- audit	6,800	-
- other services	-	4,000
	<u>          </u>	<u>          </u>

## 3 Directors' remuneration

	Year ended 31 March 2013 £	17 months ended 31 March 2012 £
Directors' emoluments	84,317	84,375
	<u>          </u>	<u>          </u>

## 4 Interest payable and similar charges

	Year ended 31 March 2013 £	17 months ended 31 March 2012 £
Interest on Inter company Loan	46,568	45,458
	<u>          </u>	<u>          </u>

## Indian Restaurants (City) Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

### 5 Tangible assets

	Short leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
<i>Cost or valuation</i>				
At 1 April 2012	1,044,434	688,540	160,615	1,893,589
Additions	-	75,795	10,516	86,311
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2013	<b>1,044,434</b>	<b>764,335</b>	<b>171,131</b>	<b>1,979,900</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2012	118,604	505,189	113,410	737,203
Provided for the year	34,814	86,373	19,239	140,426
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2013	<b>153,418</b>	<b>591,562</b>	<b>132,649</b>	<b>877,629</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2013	<b>891,016</b>	<b>172,773</b>	<b>38,482</b>	<b>1,102,271</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2012	925,830	183,351	47,205	1,156,386
	<hr/>	<hr/>	<hr/>	<hr/>

### 6 Stock

	2013 £	2012 £
Raw materials and consumables	<b>52,211</b>	84,022
	<hr/>	<hr/>

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

# Indian Restaurants (City) Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (continued)

## 7 Debtors

	2013 £	2012 £
Trade debtors	59,948	74,844
Other debtors	16,869	4,474
Prepayments	233,416	118,002
Amounts owed by group companies (note 15)	4,563	17,297
	<u>314,796</u>	<u>214,617</u>

All amounts fall due within one year with the exception of amounts owed by group companies £4,563 (2012 - £17,297)

## 8 Creditors amounts falling due within one year

	2013 £	2012 £
Trade creditors	393,826	310,136
Other creditors	24,223	30,293
Taxation and social security	67,326	92,159
Accrued expenses	70,440	186,355
	<u>555,815</u>	<u>618,943</u>

## 9 Creditors amounts falling due after more than one year

	2013 £	2012 £
Loan payable (note 15)	<u>943,445</u>	<u>730,572</u>

The loan payable represents an amount due to the company's parent Indian Restaurants Limited (note 15)  
Interest on the loan is fixed at 6%

The loan was funded via a bank loan taken out by Indian Restaurants Limited, and is secured on the assets of both companies

No creditors fall due for repayment after five years

# Indian Restaurants (City) Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (continued)

## 10 Share capital

	Allotted, issued and fully paid			
	2013 Number	2012 Number	2013 £	2012 £
100 Ordinary shares of £1 each	1,170,500	1,170,500	1,170,500	1,170,500

## 11 Reserves

	Profit and loss account £
At 1 April 2012	(888,390)
Loss for the year	(213,988)
At 31 March 2013	(1,102,378)

## 12 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
(Loss)/profit for the year	(213,988)	44,806
Opening shareholders' funds	282,110	237,304
Closing shareholders' funds	68,122	282,110

## 13 Share-based payments

The company operates an EMI equity-settled share based remuneration scheme for employees. This scheme commenced during the year ended 31 March 2012.

No options were granted or exercised in the year.

	Exercise price (pence)	Number
Outstanding at the beginning of the year	100	108,000
Cancelled during the year	100	(108,000)
Outstanding at the end of the year	-	-

All of the options outstanding at the beginning of the year and cancelled during the year had vested as the options granted had no vesting conditions attached and were therefore exercisable.

As there were no options granted in the year, there is no share based remuneration charge for the year (2012 - £Nil).

The company did not enter into any share-based payment transactions in the current or preceding year.

## Indian Restaurants (City) Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (continued)

### 14 Commitments under operating leases

As at 31 March 2013, the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2013 £	Land and buildings 2012 £
Operating leases which expire		
Over five years	300,000	300,000

### 15 Related party transactions

During the year ended 31 March 2013, the company extended its loan facility agreement with Indian Restaurants Limited to £1,000,000. Interest accrued on the loan amounted to £46,568 (note 4) for the year ended 31 March 2013 (2012 - £45,458).

At 31 March 2013, the loan payable (note 9) to Indian Restaurants Limited was £943,445 (2012 - £730,572) arising as a result of costs incurred by Indian Restaurants Limited on behalf of the company and hence recharged to the company.

During 2012, the company lent funds to CKN2 LTD, in order to fund the initial start-up of this company. At 31 March 2013, the amount outstanding from CKN2 LTD was £4,563 (note 7) (2012 - £17,297). CKN2 LTD is a fellow subsidiary of Indian Restaurants Limited.

### 16 Ultimate controlling party

The immediate and ultimate parent company of Indian Restaurants (City) Limited is Indian Restaurants Limited (Cinnamon Club), a company incorporated in the United Kingdom.

In the opinion of the directors there is no one ultimate controlling party.