Registered number· 03107170

SCOTCO RESTAURANTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 4 DECEMBER 2011

SCOTCO RESTAURANTS LIMITED

COMPANY INFORMATION

DIRECTOR	M A Herbert L E Herbert
COMPANY NUMBER	03107170
REGISTERED OFFICE	Harleyford Estate Henley Road Marlow Buckinghamshire SL7 2DX
AUDITORS	Barnes Roffe LLP Chartered Accountants & Statutory Auditor 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX

DIRECTORS' REPORT
FOR THE PERIOD ENDED 4 DECEMBER 2011

The directors present their report and the financial statements for the period ended 4 December 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

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 judgments and 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

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of provision of fast food services under franchises with Kentucky Fried Chicken (Great Britain) Limited

BUSINESS REVIEW

This has been another satisfactory year for the company The key performance indicators (KPIs) that management monitored during the year were as follows

- the index of store by store sales growth compared to prior year
- food costs as a percentage of sales
- labour costs as a percentage of sales
- labour hours used on a weekly, store by store basis compared to sales achieved and same week prior year

The KPIs are monitored by management on a monthly basis Turnover year on year increased by 15% This was partly due to a new store opening and a store relocating Like for like sales also show an increase with our core sales remaining strong despite the current economic climate

Overall, the directors consider the results for the year to be satisfactory with continued focus on food and labour costs that had a small increase in the year There have been continued reviews of all operating costs throughout the year

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements

DIRECTORS' REPORT
FOR THE PERIOD ENDED 4 DECEMBER 2011

There has been a change in organisation and reporting structure with Herbel (Eastern) Limited becoming the new owners in January 2012 The company continues to perform well and is in the process of looking for new opportunities to develop the business

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £1,244,282 *(2010 - £1,221,125)*

The directors have not recommended a dividend

DIRECTORS

The directors who served during the period were

J R Coppock (resigned 22 January 2012)
A G Purnell (resigned 22 January 2012)

On 22 January 2012 M A Herbert and L E Herbert were appointed directors of the company

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses a variety of financial instruments, including cash, loans and trade creditors that arise directly from its operations The main purpose of these financial instruments is to provide working capital for the company's operations

The directors are of the view that the main risks arising from the company's financial instruments are interest rate risk and liquidity risk Credit risk is negligible as the company does not make any credit sales and the only significant debtor balance is that owed by the company's parent undertaking Currency risk is also negligible, as the company does not trade overseas

The directors set and review policies for managing each of the more significant risks and these are summarised below These policies have remained unchanged from previous years

EMPLOYEE INVOLVEMENT

During the period, the policy of providing employees with information about the company has continued through internal media methods in which employees have also been encouraged to present their suggestions and views about the company performance Regular meetings are held between local management and employees to allow a free flow of information and ideas

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate

DIRECTORS' REPORT
FOR THE PERIOD ENDED 4 DECEMBER 2011

INTEREST RATE RISK

The company finances its operations through a combination of bank loans and bank overdrafts Interest rate risk is managed by the use of capped rate facilities to minimise exposure to rising interest rates in the short and medium term

LIQUIDITY RISK

The company seeks to manage this risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably Cash is monitored on a weekly basis and funding is secured for significant new ventures before any commitment is made

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 24 August 2012 and signed on its behalf

M A Herbert
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SCOTCO RESTAURANTS LIMITED

We have audited the financial statements of Scotco Restaurants Limited for the period ended 4 December 2011, set out on pages 6 to 21 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 Auditors' 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 4 December 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 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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SCOTCO RESTAURANTS LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, 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

Barnes Roffe LLP

David Aston
Senior statutory auditor
for and on behalf of
Barnes Roffe LLP
Chartered Accountants & Statutory Auditor
3 Brook Business Centre
Cowley Mill Road
Uxbridge
Middlesex
UB8 2FX
Date 30 August 2012

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 4 DECEMBER 2011

	Note	Period ended 4 December 2011 £	*Period ended 28 November 2010 £*
TURNOVER	1,2	**23,141,367**	*20,054,705*
Cost of sales		**(12,852,436)**	*(10,797,402)*
GROSS PROFIT		**10,288,931**	*9,257,303*
Distribution costs		**(6,741,132)**	*(5,704,054)*
Administrative expenses		**(1,721,308)**	*(1,700,242)*
Other operating income	3	**10,030**	*3,930*
OPERATING PROFIT	4	**1,836,521**	*1,856,937*
Interest receivable and similar income	6	**100,937**	*83,363*
Interest payable and similar charges	7	**(44,079)**	*(63,115)*
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**1,893,379**	*1,877,185*
Tax on profit on ordinary activities	8	**(649,097)**	*(656,060)*
PROFIT FOR THE FINANCIAL PERIOD	17	**1,244,282**	*1,221,125*

All amounts relate to continuing operations

The notes on pages 9 to 21 form part of these financial statements

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 4 DECEMBER 2011

	Period ended 4 December 2011 £	*Penod ended 28 November 2010 £*
PROFIT FOR THE FINANCIAL PERIOD	**1,244,282**	*1,221,125*
Unrealised deficit on revaluation of tangible fixed assets	**(16,922)**	*(17,500)*
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	**1,227,360**	*1,203,625*

NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE PERIOD ENDED 4 DECEMBER 2011

	Period ended 4 December 2011 £	*Penod ended 28 November 2010 £*
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	**1,893,379**	*1,877,185*
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	**1,893,379**	*1,877,185*
HISTORICAL PROFIT FOR THE PERIOD AFTER TAXATION	**1,244,282**	*1,221,125*

The notes on pages 9 to 21 form part of these financial statements

SCOTCO RESTAURANTS LIMITED
REGISTERED NUMBER: 03107170

BALANCE SHEET
AS AT 4 DECEMBER 2011

	Note	£	4 December 2011 £	£	28 November 2010 £
FIXED ASSETS					
Intangible assets	9		**1,381,683**		*1,605,406*
Tangible assets	10		**4,536,153**		*3,611,715*
			5,917,836		*5,217,121*
CURRENT ASSETS					
Stocks	11	**117,570**		*105,975*	
Debtors amounts falling due after more than one year	12	**3,015,252**		*2,513,857*	
Debtors amounts falling due within one year	12	**818,635**		*807,091*	
Cash at bank		**1,667,746**		*2,272,494*	
		5,619,203		*5,699,417*	
CREDITORS: amounts falling due within one year	13	**(2,241,218)**		*(3,105,585)*	
NET CURRENT ASSETS			**3,377,985**		*2,593,832*
TOTAL ASSETS LESS CURRENT LIABILITIES			**9,295,821**		*7,810,953*
CREDITORS· amounts falling due after more than one year	14		**(1,064,013)**		*(827,483)*
PROVISIONS FOR LIABILITIES					
Deferred tax	15		**(373,984)**		*(353,006)*
NET ASSETS			**7,857,824**		*6,630,464*
CAPITAL AND RESERVES					
Called up share capital	16		**42,839**		*42,839*
Revaluation reserve	17		**30,761**		*47,683*
Profit and loss account	17		**7,784,224**		*6,539,942*
SHAREHOLDERS' FUNDS	18		**7,857,824**		*6,630,464*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
24 August 2012

M A Herbert
Director

The notes on pages 9 to 21 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 4 DECEMBER 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, in accordance with applicable accounting standards and on the assumption that the company is a going concern

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts

Revenue is recognised at the point of sale

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities It is amortised to the Profit and loss account over its estimated economic life

Licences are shown at their original cost and are amortised to the profit and loss account over the licence period

Amortisation is provided at the following rates

Goodwill	-	20 years
Licences	-	the period of licence

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Shopfitting costs	-	7 years/the period of the lease
Motor vehicles	-	3 years
Fixtures, fittings and equipment	-	3 - 10 years

1.6 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No 19 and are not depreciated This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.8 Stocks

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

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period

1.11 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

1. ACCOUNTING POLICIES (continued)

1.12 Specific finance costs

In accordance with Financial Reporting Standard No 4, all costs directly associated with the arrangement of a specific type of finance are carried forward and shown in balance sheet against the finance to which they relate These costs are written off over the term of the finance

1.13 Employee benefit trust

The company has established trusts for the benefit of the employees and their dependants Monies held in these trusts are held by independent trustees and managed at their discretion

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trusts to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate

2. TURNOVER

The whole of the turnover is attributable to the company's principal business activity

All turnover arose within the United Kingdom

3. OTHER OPERATING INCOME

	Period ended 4 December 2011	*Period ended 28 November 2010*
	£	*£*
Other operating income	**10,030**	*3,930*

4. OPERATING PROFIT

The operating profit is stated after charging

	Period ended 4 December 2011 £	*Period ended 28 November 2010 £*
Amortisation - intangible fixed assets	321,009	*308,289*
Depreciation of tangible fixed assets		
- owned by the company	771,852	*602,741*
Auditors' remuneration	13,500	*14,000*
Auditors' remuneration - non-audit	30,984	*45,416*
Operating lease rentals		
- Land and buildings	1,024,863	*877,949*

During the period, no director received any emoluments *(2010 - £NIL)*

5. STAFF COSTS

Staff costs were as follows

	Period ended 4 December 2011 £	*Period ended 28 November 2010 £*
Wages and salaries	4,917,161	*4,314,154*
Social security costs	316,774	*300,063*
Other pension costs	17,951	*20,479*
	5,251,886	*4,634,696*

The average monthly number of employees, including the directors, during the period was as follows

	Period ended 4 December 2011 No.	*Period ended 28 November 2010 No*
Restaurant staff	447	*389*
Administration and management	11	*13*
	458	*402*

6. INTEREST RECEIVABLE

	Period ended 4 December 2011 £	*Period ended 28 November 2010 £*
Interest receivable from group companies	73,828	*80,628*
Other interest receivable	27,109	*2,735*
	100,937	*83,363*

7. INTEREST PAYABLE

	Period ended 4 December 2011 £	*Period ended 28 November 2010 £*
On bank loans and overdrafts	44,079	*22,681*
On shares classed as financial liabilities	-	*40,434*
	44,079	*63,115*

8. TAXATION

	Period ended 4 December 2011 £	*Period ended 28 November 2010 £*
Analysis of tax charge in the period		
Current tax (see note below)		
UK corporation tax charge on profit for the period	627,800	*638,100*
Adjustments in respect of prior periods	319	-
Total current tax	628,119	*638,100*
Deferred tax		
Origination and reversal of timing differences	71,407	*17,960*
Effect of decreased tax rate on opening liability	(50,429)	-
Total deferred tax (see note 15)	20,978	*17,960*
Tax on profit on ordinary activities	649,097	*656,060*

8. TAXATION (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than *(2010 - higher than)* the standard rate of corporation tax in the UK of 26% *(2010 - 28%)* The differences are explained below

	Period ended 4 December 2011 £	*Period ended 28 November 2010 £*
Profit on ordinary activities before tax	**1,893,379**	*1,877,185*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% *(2010 - 28%)*	**492,279**	*525,612*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**72,385**	*76,994*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**17,952**	*29,046*
Capital allowances for period in excess of depreciation	**29,615**	*17,108*
Adjustments to tax charge in respect of prior periods	**319**	*-*
Difference in tax rates	**15,602**	*-*
Other tax charge (relief) on exceptional items	**-**	*(10,712)*
Other timing differences	**(33)**	*52*
Current tax charge for the period (see note above)	**628,119**	*638,100*

Factors that may affect future tax charges

There are no material factors that may affect future tax charges

9. INTANGIBLE FIXED ASSETS

	Licences £	Goodwill £	Total £
Cost			
At 29 November 2010	393,936	5,439,426	5,833,362
Additions	72,875	24,411	97,286
Disposals	(27,000)	-	(27,000)
At 4 December 2011	439,811	5,463,837	5,903,648
Amortisation			
At 29 November 2010	147,009	4,080,947	4,227,956
Charge for the period	39,489	281,520	321,009
On disposals	(27,000)	-	(27,000)
At 4 December 2011	159,498	4,362,467	4,521,965
Net book value			
At 4 December 2011	280,313	1,101,370	1,381,683
At 28 November 2010	*246,927*	*1,358,479*	*1,605,406*

10. TANGIBLE FIXED ASSETS

	Investment property £	Shopfitting costs £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 29 November 2010	239,157	3,981,869	6,625	3,703,063	7,930,714
Additions	272,265	847,993	6,750	587,860	1,714,868
Disposals	-	-	(6,625)	-	(6,625)
Revaluation surplus/(deficit)	(16,922)	-	-	-	(16,922)
At 4 December 2011	494,500	4,829,862	6,750	4,290,923	9,622,035
Depreciation					
At 29 November 2010	-	1,807,722	2,759	2,508,518	4,318,999
Charge for the period	-	460,454	3,146	308,252	771,852
On disposals	-	-	(4,969)	-	(4,969)
At 4 December 2011	-	2,268,176	936	2,816,770	5,085,882
Net book value					
At 4 December 2011	494,500	2,561,686	5,814	1,474,153	4,536,153
At 28 November 2010	*239,157*	*2,174,147*	*3,866*	*1,194,545*	*3,611,715*

10. TANGIBLE FIXED ASSETS (continued)

Cost or valuation at 4 December 2011 is as follows

	Land and buildings £
At cost	**463,739**
At valuation·	
30 November 2001 on an open market, existing use basis	**10,183**
30 November 2002 on an open market, existing use basis	**11,500**
30 November 2003 on an open market, existing use basis	**6,000**
30 November 2004 on an open market, existing use basis	**12,500**
26 November 2006 on an open market, existing use basis	**25,000**
28 November 2010 on an open market, existing use basis	**(17,500)**
4 December 2011 on an open market, existing use basis	**(16,922)**
	494,500

The properties were professionally revalued on 17 November 2011 by Gary Coppins MRICS of Bracketts Chartered Surveyors The basis of valuation was an open market, existing use basis

The directors have assessed the properties since 17 November 2011 and believe that the land and buildings are not materially different to the valuation stated on an open market, existing use basis

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	4 December 2011 £	28 November 2010 £
Cost	**463,739**	*191,474*
Accumulated depreciation	-	-
Net book value	**463,739**	*191,474*

11. STOCKS

	4 December 2011 £	28 November 2010 £
Food and packaging	**117,570**	*105,975*

12. DEBTORS

	4 December 2011 £	28 November 2010 £
Due after more than one year		
Amounts owed by group undertakings	**3,015,252**	*2,513,857*

	4 December 2011 £	28 November 2010 £
Due within one year		
Other debtors	**634,674**	*662,699*
Prepayments and accrued income	**183,961**	*144,392*
	818,635	*807,091*

Included in debtors is an amount of £3,015,252 *(2010 - £2,513,857)* owed by the parent undertaking, which is due in more than one year

13. CREDITORS.
Amounts falling due within one year

	4 December 2011 £	28 November 2010 £
Bank loans and overdrafts	**508,470**	*466,930*
Trade creditors	**218,498**	*900,356*
Corporation tax	**126,892**	*364,521*
Social security and other taxes	**826,697**	*688,322*
Other creditors	**17,628**	-
Accruals and deferred income	**543,033**	*685,456*
	2,241,218	*3,105,585*

Details of bank security are given in note 14

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 4 DECEMBER 2011

14. CREDITORS:
Amounts falling due after more than one year

	4 December 2011 £	*28 November 2010 £*
Bank loans	**1,064,013**	*827,483*

Included within the above are amounts falling due as follows

	4 December 2011 £	*28 November 2010 £*
Between one and two years		
Bank loans	**392,500**	*364,096*
Between two and five years		
Bank loans	**671,513**	*463,387*

The interest rate on bank loans amounting to £802,482 *(2010 - £1,294,413)* is base rate plus 1 5% The interest rate on bank loans amounting to £770,000 *(2010 - £Nil)* is base rate plus 2 75% Loans are secured by charges over all of the company's assets

15. DEFERRED TAXATION

	4 December 2011 £	*28 November 2010 £*
At beginning of period	**353,006**	*335,046*
Charge for period	**20,978**	*17,960*
At end of period	**373,984**	*353,006*

The provision for deferred taxation is made up as follows

	4 December 2011 £	*28 November 2010 £*
Accelerated capital allowances	**373,984**	*353,006*

16. SHARE CAPITAL

	4 December 2011 £	*28 November 2010 £*
Allotted, called up and fully paid		
428,390 Ordinary shares of £0 10 each	**42,839**	*42,839*

17. RESERVES

	Revaluation reserve £	Profit and loss account £
At 29 November 2010	**47,683**	**6,539,942**
Profit for the period		**1,244,282**
(Deficit) on revaluation of investment property	**(16,922)**	
At 4 December 2011	**30,761**	**7,784,224**

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	4 December 2011 £	*28 November 2010 £*
Opening shareholders' funds	**6,630,464**	*5,426,840*
Profit for the period	**1,244,282**	*1,221,125*
Shares issued during the period	-	*5,572*
Shares redeemed/cancelled during the period	-	*(5,573)*
Other recognised gains and losses during the period	**(16,922)**	*(17,500)*
Other movements in profit and loss reserve	-	*90,000*
Share premium cancelled during the period	-	*(90,000)*
Closing shareholders' funds	**7,857,824**	*6,630,464*

19. CONTINGENT LIABILITIES

At the year end, the company has guaranteed certain loans and property leases of related parties as disclosed in note 23 below

20. PENSION COMMITMENTS

The company operates a defined contributions pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The pension cost charge represents contributions payable by the company to the fund and amounted to £17,951 *(2010 - £20,479)* Contributions totalling £Nil *(2010 - £Nil)* were payable to the fund at the balance sheet date and are included in creditors

21. OPERATING LEASE COMMITMENTS

At 4 December 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	4 December 2011	*28 November 2010*	**4 December 2011**	*28 November 2010*
	£	*£*	**£**	*£*
Expiry date:				
Within 1 year	**102,492**	*48,000*	**30,627**	-
Between 2 and 5 years	**83,000**	*114,985*	-	*61,254*
After more than 5 years	**847,725**	*819,725*	-	-

22. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

During the year, an interest free loan amounting to £2,001 was provided to J R Coppock, a director of the company This amount was fully repaid by the year end

Also during the year, an interest free loan amounting to £25,221 was provided to A G Purnell, a director of the company At the year end, the amount outstanding was £25,051 and is included within other debtors

23. RELATED PARTY TRANSACTIONS

Jopep LLP is a related party because certain members of the partnership are shareholders and directors of the company During the period the company levied management charges to Jopep LLP amounting to £26,000 *(2010 - £24,000)* Also during the year, the company met expenses on behalf of Jopep LLP amounting to £8,949 *(2010 - £Nil)* At 4 December 2011 the company owed £17,628 *(2010 - £32,035 due from)* Jopep LLP which is included within other creditors

Scotco Restaurants (Jersey) Limited is a related party by virtue of common directors and shareholders The company acts as a guarantor over a lease held by Scotco Restaurants (Jersey) Limited The annual lease payments are £152,500 and the unexpired lease term is 11 years

During the period, the Scotco Restaurants Limited Employee Benefit Trust continued to loan the sum of £550,000 to J Coppock, a director Interest is being charged on the loan at 0 5% per annum and the loan is repayable on demand

During the period the Employee Benefit Trust made a loan to A Purnell, a director, of £51,951 At the year end this amount remains outstanding No interest was charged on the loan

The company acts as a guarantor over a bank loan held by JRC Holdings Limited, its parent company At the period end the amount outstanding is £958,343 *(2010 - £1,668,341)*

The company has taken advantage of the exemptions available under Financial Reporting Standard 8 not to report transactions with other companies within a wholly owned group

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent company is JRC Holdings Limited The ultimate controlling party was Mr J R Coppock by virtue of his controlling interest in the shares of the parent company

On 22 January 2012, the group was acquired by Herbel (Eastern) Limited and from that date was controlled by L E Herbert