

Company Registration No. 03247459

Coq d'Argent Limited

Annual Report and Financial Statements

31 March 2011

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Coq d'Argent Limited

Report and financial statements 2011

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Coq d'Argent Limited

Officers and professional advisers

Directors

D Gunewardena

D Loewi

A McLauchlan (appointed 1 December 2010)

Secretary

A McLauchlan

Registered Office

16 Kirby Street

London

EC1N 8TS

Auditors

Deloitte LLP

Chartered Accountants

Reading

Coq d'Argent Limited

Directors' report

The directors present their report and financial statements for the year ended 31 March 2011

Principal activity

The principal activity of the Company was the operation of the restaurants Coq d'Argent at No 1 Poultry, London and the Royal Exchange Grand Café and Bar, at the Royal Exchange, London

Review of the business, key performance indicators and future developments

The directors consider the results for the year to be satisfactory in the context of the economic recession which prevailed during the financial year

The directors consider Turnover and EBITDAM (earnings before interest, taxation, depreciation, amortisation and management fees) as the key performance indicators for the company. Turnover for the year increased from £9,646,000 in 2010 to £10,302,000 in 2011, whilst EBITDAM decreased from £2,812,000 in 2010 to £2,758,000 in 2011

The directors expect the results to continue to be satisfactory, assuming a continuation of current economic conditions

Results and dividends

The profit and loss account is set out on page 7 and shows a profit before taxation for the year of £1,743,000 (2010 £1,788,000). Dividends for the year totalled £1,250,000 (2010 £1,000,000)

Principal risks and uncertainties

The company follows the mitigating activities of its parent company, CGL Restaurant Holdings Limited (the "Group"), to manage the principal risks and uncertainties, arising from both internal and external factors that could impact the company's performance. The Group has risk management processes to identify, monitor and evaluate such issues as they emerge, enabling the Board to take appropriate action where possible

Economic and market risk

The economic environment and general consumer sentiment have a significant bearing on the success of the Group. Following the global financial crisis that started in Autumn 2008 the economy has slowed down and entered recession. Consumer spending has been affected by these events, particularly in the area of corporate events. Furthermore, the Group is exposed to the market risks associated with the activities and operation of competing restaurants

The Group is committed to maintaining a highly desirable customer experience. The D&D brand is synonymous with style and exclusivity. Internal processes ensure that the Group is well positioned to react to market pressures while continuing to deliver a high quality product at competitive prices to its customers

Operational efficiency and cost control

The Group faces growing internal and external cost pressures. These pressures are managed with a focus on improving supply chain management, operational efficiency and rigorous cost control. The Group is constantly looking to implement new initiatives to improve efficiency across the whole business, resulting in lower operating costs without compromising product quality or service levels. This helps support the business' competitiveness and profitability

Financing and treasury

Key to the financial success of the business is the availability of sufficient bank facilities to permit the Group to meet its obligations and to enable it to continue to fund its growth through investment in new restaurants and in improving its existing venues

The Group also manages its interest rate and foreign currency risks through appropriate policies laid down by the Board. The nature of the business is such that there is minimal exposure to credit risk

Coq d'Argent Limited

Directors' report (continued)

Principal risks and uncertainties (continued)

Major operational risk

In common with other businesses, the Group depends on its process and control framework to mitigate the possibility of a major failure in operations, information technology, finance, human resources or other key business processes capable of having an impact on its performance. These failures may be caused by internal factors, such as a major information technology systems failure, a supply chain breakdown or failure to retain key personnel. They could also be driven by external events, such as disruptions or other adverse events affecting our relationship with, or the performance of, major suppliers, financial services providers, designers or concessionaires, terrorism or natural disasters and other major events which impact the Group as well as the communities it serves. The Group is committed to developing and strengthening its coordinated risk management and assurance mechanisms to manage these risks in a manner which it believes ensure an appropriate and effective control framework for its businesses at a local, national and corporate level.

Major health and safety risks

The Group takes its responsibilities in the field of health, safety and the environment very seriously and fully recognises the potential human, reputational and financial consequences of these risks. The business has dedicated teams addressing these risks and follows policy and procedure.

Going concern

During the year the company made an operating profit of £1,743,000 (2010 £1,789,000). The balance sheet showed net current liabilities of £1,059,000 (2010 £1,145,000). The company has no external loan as set out in these financial statements.

The Company has received a commitment of ongoing financial support from its ultimate parent undertaking, CGL Restaurant Holdings Limited, for at least the next 12 months from the date of approval of these financial statements. In spite of the uncertain economic conditions, the directors have a reasonable expectation that the company will have access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors

The directors of the company who served during the year and to the date of signing of this report were as listed on page 1.

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Coq d'Argent Limited

Directors' report (continued)

Directors' statements as to disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Auditor

Deloitte LLP have indicated their willingness to continue in office and a resolution to reappoint them as auditor will be put to the members at the Annual General Meeting

Approved by the Board and signed on its behalf by



A McLauchlan
Secretary

12 December 2011

Coq d'Argent Limited

Statement of 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). 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 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 with reasonable accuracy at any time, the financial position of the company and to 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.

Independent auditor's report to the members of Coq d'Argent Limited

We have audited the financial statements of Coq d'Argent Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 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 annual 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

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit 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.

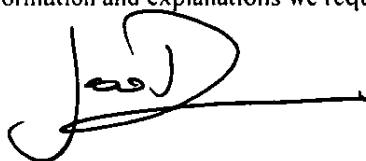
Opinion on matters prescribed in the Companies Act 2006

In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Jason Davies (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom
2011

Coq d'Argent Limited

Profit and loss account Year ended 31 March 2011

	Notes	2011 £'000	2010 £'000
Turnover	2	10,302	9,646
Cost of sales		(7,752)	(7,077)
Gross profit		2,550	2,569
Administrative expenses		(807)	(780)
Operating profit	3	1,743	1,789
Interest payable and similar charges	6	-	(1)
Profit on ordinary activities before taxation		1,743	1,788
Tax on profit on ordinary activities	7	(501)	(524)
Profit for the financial year		1,242	1,264

All amounts reported in the profit and loss account relate to continuing operations

There were no recognised gains or losses during the current or prior year other than the profit for that financial year
Accordingly, no statement of total recognised gains and losses has been presented

Coq d'Argent Limited


Balance sheet As at 31 March 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	9	1,727	1,829
Current assets			
Stocks	10	461	419
Debtors	11	548	332
Cash at bank and in hand		347	906
		1,356	1,715
Creditors: amounts falling due within one year	12	(2,415)	(2,860)
Net current liabilities		(1,059)	(1,145)
Total assets less current liabilities		668	684
Provision for deferred tax	13	(38)	(46)
Net assets		630	638
Shareholder's funds			
Called up share capital	14	-	-
Profit and loss account	15	630	638
Total shareholder's funds		630	638

The financial statements of Coq d'Argent Limited registered number 03247459 were approved by the Board of Directors and authorised for issue on 22 December 2011

Signed on behalf of the Board of Directors

D Gunewardene
Director



Coq d'Argent Limited

Notes to the accounts Year ended 31 March 2011

1 Accounting policies

Basis of preparation

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

The accounting policies adopted by the company are set out below and have been applied consistently throughout the year and are consistent with the preceding year

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 2 to 4. The balance sheet showed net current liabilities of £1,059,000 (2010 £1,145,000). The company has no external loans as set out in these financial statements. The company is dependent on the continuing provision of financial support that it has received from its ultimate parent undertaking, CGL Restaurant Holdings Limited. The parent has committed to provide continuing support for at least the next 12 months from the date of signing of these financial statements.

The directors have reviewed the current and projected financial position of the company and of the group the company belongs to, making reasonable assumptions about trading performance. Thus, the directors have a reasonable expectation that the company will have access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Turnover

Turnover represents sales to outside customers at invoiced amounts excluding discretionary service charge and Value Added Tax.

Turnover is recognised when the significant risks and benefits of ownership of the products have transferred to the buyer. This will occur through the provision of restaurant services and sale of goods, and will be upon the completion of a sale to customers.

Tangible fixed assets

Tangible fixed assets are included at cost, less accumulated depreciation.

Depreciation is charged on a straight-line basis over the following periods:

Leasehold improvements	– over the shorter of the period of the lease and 25 years
Furniture, fixtures and fittings	– over 4 years
Plant and equipment	– over 4 years

Stocks

Stocks consist of raw materials, consumables, crockery, linen and staff uniforms. Raw materials and consumables are stated at the lower of cost and net realisable value on a first-in, first-out basis.

Crockery, linen and staff uniforms are accounted for on a renewals basis.

Leases

Rentals paid under operating leases are charged to income on a straight-line basis over the period of the lease, even if payments are not made on such a basis. In accordance with UITF 28, the aggregate benefit of any rent free period under rental operating lease is also taken to income on a straight-line basis over the period to the first rent review.

Coq d'Argent Limited

Notes to the accounts Year ended 31 March 2011

1 Accounting policies (continued)

Statement of cash flows

The company is a wholly owned subsidiary of CGL Restaurant Holdings Limited and is exempt under the terms of Financial Reporting Standard No 1 (Revised) from publishing a statement of cash flow

Pension costs and other post-retirement benefits

The company does not operate its own pension scheme. The company makes contributions to certain senior employees' personal pension schemes, which are charged to the profit and loss account as they fall due

Taxation

Corporation tax payable is provided on taxable profits at the current rate, using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

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 exception

- 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 difference can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis

2 Turnover

Turnover, attributable to continuing operations, is derived from the sale of food, wines, spirits, beverages and sundry items. The origin and destination of all turnover was the United Kingdom

3 Operating profit

Operating profit is stated after charging

	2011 £'000	2010 £'000
Depreciation	238	267
Auditor's remuneration		
– Fees payable to the company's auditor for the audit of the company's annual accounts	7	8
Operating leases – property	514	440
Management fees	777	756

Management services are provided to the company by D&D London Limited, a fellow subsidiary undertaking of CGL Restaurant Holdings Limited

4. Directors' remuneration

No remuneration is payable directly to the directors nor are any pension contributions payable on their behalf. Directors are remunerated directly by D&D London Limited, a fellow subsidiary undertaking of CGL Restaurant Holdings Limited. Of this remuneration £nil (2010: £nil) is allocated to Coq d'Argent Limited

Coq d'Argent Limited

Notes to the accounts Year ended 31 March 2011

5. Staff costs

Staff costs consist of

	2011 £'000	2010 £'000
Wages and salaries	2,849	2,029
Social security	226	173
Pension costs	15	12
	<u>3,090</u>	<u>2,214</u>

The average full-time equivalent number of persons employed by the company during the year was 169 (2010 163)

6. Interest payable and similar charges

	2011 £'000	2010 £'000
Bank interest payable and similar charges	<u>-</u>	<u>1</u>

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2011 £'000	2010 £'000
Current tax		
UK corporation tax	512	532
Tax (over)/under provided in previous years	<u>(3)</u>	<u>1</u>
Total current tax (note 7(b))	<u>509</u>	<u>533</u>
Deferred tax		
Origination and reversal of timing differences	(5)	(10)
Tax (over)/under provided in previous years	<u>(3)</u>	<u>1</u>
Total deferred tax (note 13)	<u>(8)</u>	<u>(9)</u>
Tax on profit on ordinary activities	<u>501</u>	<u>524</u>

Coq d'Argent Limited

Notes to the accounts Year ended 31 March 2011

7. Tax (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year varies from the standard rate of corporation tax in the UK of 28% (2010 28%). The differences are reconciled below

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	1,743	1,788
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	488	501
Expenditure not deductible for tax purposes	21	21
Timing differences on fixed assets	2	10
Tax (over)/under provided in previous years	(3)	1
Total current tax (note 7(a))	509	533

8. Dividends

	2011 £'000	2010 £'000
Equity dividends on ordinary shares		
Interim paid - £625,000 per ordinary share (2010 £500,000 per ordinary share)	1,250	1,000

9. Tangible fixed assets

	Leasehold improvements £'000	Furniture, fixtures and fittings £'000	Plant and equipment £'000	Total £'000
Cost:				
At 1 April 2010	2,906	1,191	984	5,081
Additions	76	31	29	136
At 31 March 2011	2,982	1,222	1,013	5,217
Depreciation:				
At 1 April 2010	1,212	1,125	915	3,252
Provided during the year	157	41	40	238
At 31 March 2011	1,369	1,166	955	3,490
Net book value:				
At 31 March 2011	1,613	56	58	1,727
At 31 March 2010	1,694	66	69	1,829

Coq d'Argent Limited

Notes to the accounts Year ended 31 March 2011

10. Stocks

	2011	2010
	£'000	£'000
Raw materials and consumables	190	168
Crockery, linen and staff uniforms	271	251
	<u>461</u>	<u>419</u>

There is no material difference between the carrying value and the replacement value of stocks

11. Debtors

	2011	2010
	£'000	£'000
Trade debtors	312	179
Amounts owed by group undertakings	28	26
Other debtors	-	1
Prepayments and accrued income	208	126
	<u>548</u>	<u>332</u>

12. Creditors: amounts falling due within one year

	2011	2010
	£'000	£'000
Trade creditors	635	824
Amounts owed to group undertakings	267	845
Amounts owed to group undertakings in respect of group relief	509	533
Other taxation and social security	195	57
Other creditors	209	143
Accruals and deferred income	600	458
	<u>2,415</u>	<u>2,860</u>

Coq d'Argent Limited

Notes to the accounts Year ended 31 March 2011

13 Provision for deferred tax

The deferred tax included in the balance sheet is as follows

	2011 £'000	2010 £'000
Accelerated capital allowances	38	46
Provision for deferred tax	38	46
At 1 April 2010	46	55
Deferred tax credit in the profit and loss account	(8)	(9)
At 31 March 2011	38	46

14. Authorised and issued share capital

	2011 £	2010 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

15. Reconciliation of shareholder's funds and movements on reserves

	Called up share capital 2011 £'000	Profit and loss account 2011 £'000	Total shareholders' funds 2011 £'000	Total shareholders' funds 2010 £'000
At 1 April	-	638	638	374
Profit after taxation	-	1,242	1,242	1,264
Dividends	-	(1,250)	(1,250)	(1,000)
At 31 March	-	630	630	638

Coq d'Argent Limited

Notes to the accounts Year ended 31 March 2011

16 Lease commitments

The company leases certain land and buildings. The rents payable under these leases are subject to review at intervals specified in the lease.

The current annual rentals under the foregoing leases are as follows

	Property	
	2011 £'000	2010 £'000
Operating leases which expire – after more than 5 years	313	309
	<u>313</u>	<u>309</u>

17. Contingent liabilities

The company, together with its ultimate parent undertaking and certain fellow subsidiaries, is party to an intercompany guarantee dated 13 September 2006 in favour of the governor and company of The Bank of Scotland given as security for debt facilities provided to the ultimate parent undertaking and its subsidiaries. As at the balance sheet date, the net amount due under these facilities was £28,853,000.

18. Related party transactions

No disclosure is made of transactions with group undertakings as permitted by Financial Reporting Standard No. 8.

There were no other material related party transactions.

19 Ultimate parent undertaking and controlling party

The company is a subsidiary undertaking of CGL Restaurant Holdings Limited, incorporated in Great Britain and registered in England and Wales. The results of the company are consolidated into the financial statements of CGL Restaurant Holdings Limited, the ultimate parent undertaking and controlling party of the restaurants managed by D&D London Limited. CGL Restaurant Holdings Limited is the parent company of the smallest and largest group of which the company is a member. Copies of the financial statements of CGL Restaurant Holdings Limited can be obtained from 16 Kirby Street, London EC1N 8TS.