Company Registration No. 03247459

Coq d'Argent Limited

Annual Report and Financial Statements

31 March 2010

Coq d'Argent Limited

Report and financial statements 2010

Contents

Coq d'Argent Limited

Officers and professional advisers

Directors

D Gunewardena
D Loewi

Secretary

A McLauchlan

Registered Office

16 Kirby Street
London
EC1N 8TS

Auditors

Deloitte LLP
Chartered Accountants
London

Coq d'Argent Limited

Directors' report

The directors present their report and financial statements for the year ended 31 March 2010

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 decreased from £10,566,000 in 2009 to £9,646,000 in 2010, whilst EBITDAM decreased from £3,201,000 in 2009 to £2,812,000 in 2010

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 8 and shows a profit before taxation for the year of £1,788,000 (2009 - £2,082,000) Dividends for the year totalled £1,000,000 (2009 - £1,400,000)

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

Coq d'Argent Limited

Directors' report (continued)

Principal risks and uncertainties (continued)

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

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 £1,789,000 (2008 £2,082,000) The balance sheet showed net current liabilities of £1,145,000 (2008 £1,617,000) due to the company's policy of distributing all surplus cash to its parent company, CGL Restaurant Holdings Limited The company has no external loan as set out in 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 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 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

Directors' statements as to disclosure of information to auditors

The directors who were members of the board at the time of approving the Directors' Report are listed on page 1

Directors' report (continued)

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 auditors are unaware, and
- the director has taken all the steps that theyought to have taken as a director in order to make themself aware of any relevant audit information and to establish that the company's auditors are aware of that information

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

Auditors

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

Approved by the Board and signed on its behalf by

Secretary A MCLAUGHLAN

14 December 2010

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Independent auditors' 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 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to18 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 more fully explained in the Directors' Responsibilities Statements, 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 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 Practice Board's (APB'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

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 2010 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

Independent auditors' report to the members of Coq d'Argent Limited (continued)

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 Auditors
London, United Kingdom
24 December 2010

Coq d'Argent Limited

Profit and loss account
Year ended 31 March 2010

	Notes	2010 £'000	2009 £'000
Turnover	2	9,646	10,566
Cost of sales		(7,077)	(7,596)
Gross profit		2,569	2,970
Administrative expenses		(780)	(888)
Operating profit	3	1,789	2,082
Interest payable and similar charges	6	(1)	-
Profit on ordinary activities before taxation		1,788	2,082
Tax on profit on ordinary activities	7	(524)	(611)
Profit for the financial year		1,264	1,471

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
31 March 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Tangible assets	9	1,829	2,046
Current assets			
Stocks	10	419	376
Debtors	11	390	332
Cash at bank and in hand		906	350
		1,715	1,058
Creditors: amounts falling due within one year	12	(2,860)	(2,675)
Net current liabilities		(1,145)	(1,617)
Total assets less current liabilities		684	429
Provision for deferred tax	13	(46)	(55)
Net assets		638	374
Shareholders' funds			
Called up share capital	14	-	–
Profit and loss account	15	638	374
Total shareholders' funds		638	374

The financial statements of Coq d'Argent Limited registered number 03247459 were approved by the Board of Directors on 24 December 2010

Signed on behalf of the Board of Directors

D GUNAWARDENA

Director

Coq d'Argent Limited

Notes to the accounts
Year ended 31 March 2010

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 5 The balance sheet showed net current liabilities of £1,145,000 (2009 £1,617,000) due to the company's policy of distributing all surplus cash to its parent company, CGL Restaurant Holdings Limited The company has no external loan as set out in 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 UITF28, 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

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

Notes to the accounts
Year ended 31 March 2010

1. Accounting policies (continued)

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

	2010 £'000	2009 £'000
Depreciation	267	264
Auditors' remuneration		
– Fees payable to the company's auditors for the audit of the company's annual accounts	8	10
Operating leases – property	440	564
Management fees	756	855

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

4. Directors' remuneration

No remuneration is payable directly to the directors nor are any pension contributions payable on their behalf The remuneration for all directors of the company was borne by another group company

Notes to the accounts
Year ended 31 March 2010

5. Staff costs

Staff costs consist of

	2010 £'000	2009 £'000
Wages and salaries	2,029	1,963
Social security	173	167
Pension costs	12	7
	2,214	2,137

The average full-time equivalent number of persons employed by the company during the year was 163 (2009 – 168)

6. Interest payable and similar charges

	2010 £'000	2009 £'000
Bank interest payable and similar charges	1	-

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2010 £'000	2009 £'000
Current tax		
UK corporation tax	532	615
Tax underprovided in previous years	1	3
Total current tax (note 7(b))	533	618
Deferred tax		
Origination and reversal of timing differences	(10)	(9)
Tax under provided in previous years	1	2
Total deferred tax (note 13)	(9)	(7)
Tax on profit on ordinary activities	524	611

Notes to the accounts
Year ended 31 March 2010

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% (2009 – 28%) The differences are reconciled below

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	1,788	2,082
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	501	583
Expenditure not deductible for tax purposes	21	23
Timing differences on fixed assets	10	9
Tax under provided in previous years	1	3
Total current tax (note 7(a))	533	618

8. Dividends

	2010 £'000	2009 £'000
Equity dividends on ordinary shares		
Interim paid - £500,000 per ordinary share (2009 £700,000 per ordinary share)	1,000	1,400

9. Tangible fixed assets

	Leasehold improvements £'000	Furniture, fixtures and fittings £'000	Plant and equipment £'000	Total £'000
Cost:				
At 1 April 2009	2,906	1,158	967	5,031
Additions	-	33	17	50
At 31 March 2010	2,906	1,191	984	5,081
Depreciation:				
At 1 April 2009	1,056	1,066	863	2,985
Provided during the year	156	59	52	267
At 31 March 2010	1,212	1,125	915	3,252
Net book value:				
At 31 March 2010	1,694	66	69	1,829
At 1 April 2009	1,850	92	104	2,046

Notes to the accounts
Year ended 31 March 2010

10. Stocks

	2010 £'000	2009 £'000
Raw materials and consumables	168	126
Crockery, linen and staff uniforms	251	250
	419	376

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

11. Debtors

	2010 £'000	2009 £'000
Trade debtors	160	179
Amounts owed by group undertakings	14	26
Other debtors	-	1
Prepayments and accrued income	216	126
	390	332

12. Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	824	835
Amounts owed to group undertakings	845	155
Amounts owed to group undertakings in respect of group relief	533	618
Other taxation and social security	57	155
Other creditors	143	413
Accruals and deferred income	458	499
	2,860	2,675

Notes to the accounts
Year ended 31 March 2010

13. Provision for deferred tax

The deferred tax included in the balance sheet is as follows

	2010 £'000	2009 £'000
Accelerated capital allowances	46	55
Provision for deferred tax	46	55
At 1 April 2009	55	62
Deferred tax credit in the profit and loss account	(9)	(7)
At 31 March 2010	46	55

14. Authorised and issued share capital

	2010 £	2009 £
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 2010 £'000	Profit and loss account 2010 £'000	Total shareholders' funds 2010 £'000	Total shareholders' funds 2009 £'000
At 1 April	-	374	374	303
Profit after taxation	-	1,264	1,264	1,471
Dividends	-	(1,000)	(1,000)	(1,400)
At 31 March	-	638	638	374

Notes to the accounts
Year ended 31 March 2010

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	
	2010	**2009**
	£'000	**£'000**
Operating leases which expire		
– between 2 and 5 years	-	-
– after more than 5 years	309	313
	309	313

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 £29,918,000

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 the United Kingdom 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 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