

COMPANIES HOUSE

Casual Dining Limited
Abbreviated Financial Statements
For the Year Ended
30 April 2001

CHAMPI:ON

Chartered Accountants & Registered Auditors
1 Worsley Court
High Street
Worsley, Manchester
M28 3NJ



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Casual Dining Limited

Abbreviated Financial Statements

Year Ended 30 April 2001

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Casual Dining Limited

Officers and Professional Advisers

The Board of Directors

S W Sim
A Sutton
C Hanna

Company Secretary

R S Nominees Limited

Registered Office

1st Floor Didsbury House
748 Wilmslow Road
Didsbury
Manchester
M20 2DW

Auditors

Champion
Chartered Accountants
& Registered Auditors
1 Worsley Court
High Street
Worsley, Manchester
M28 3NJ

Bankers

Barclays Bank Plc
Accounts Centre East
4th & 5th Floors
Elstree House
Elstree Way, Borehamwood
Herts
WD6 1RY

Casual Dining Limited

The Directors' Report

Year Ended 30 April 2001

The directors present their report and the financial statements of the company for the year ended 30 April 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the management and ownership of restaurants.

All restaurants trade as Chili's Grill & Bar, which is a franchised concept licensed from Brinker International Inc. of Dallas Texas. From the original four in 2000 a new Chilis opened during the year. All restaurants show growth in turnover over previous periods.

The operations had suffered from a lack of investment in both capital and human resources and was under strength in branch management. During the year under review however, very significant progress was made towards the improvement of supplier relationships, the recruitment and training of operational and administration staff, and an action programme to support the quality of customer service. Additional funding has been received and the start up phase is on target to move to profitability.

The year to April 2001 saw the opening of our new restaurant at the Oracle Centre, Reading. The sales revenue achieved surpassed all targets, however the opening of this restaurant necessitated large write offs of "start up costs" in the first twelve months of trading, which helped to inflate the trading losses.

FUTURE DEVELOPMENTS

Since the year end great improvements have been made in cost savings. The head office has been re-situated to a much more compact and cost effective site. Restructuring at the head office and in restaurant management has meant we have a much more focused team, who are delivering a better trading performance at a much lower cost.

RESULTS AND DIVIDENDS

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.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 April 2001	At 1 May 2000
I S Baker	-	-
G M Guthrie	-	-
B McGowan	-	-
S W Sim	-	-
	<hr/>	<hr/>

A Sutton was appointed as a director on 10 June 2002.

C Hanna was appointed as a director on 8 August 2002.

I S Baker retired as a director on 19 February 2002.

G M Guthrie retired as a director on 19 September 2001.

B McGowan retired as a director on 31 October 2001.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 10 to 11, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Casual Dining Limited

The Directors' Report *(continued)*

Year Ended 30 April 2001

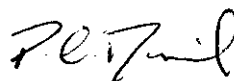
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

PricewaterhouseCoopers, resigned with effect from 2 September 2002 and the directors appointed Champion as auditors. A resolution to re-appoint Champion as auditors will be proposed at the annual general meeting.

Registered office:
1st Floor Didsbury House
748 Wilmslow Road
Didsbury
Manchester
M20 2DW

Signed by order of the directors



RP

R S Nominees Limited
Company Secretary

Approved by the directors on 3 September 2002

Casual Dining Limited

Independent Auditors' Report to the Company

Pursuant to Section 247b of the Companies Act 1985

We have examined the abbreviated accounts on pages 5 to 15, together with the financial statements of the company for the year ended 30 April 2001 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 15 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 3 September 2002 we reported as auditors to the members of the company on the financial statements prepared under Section 226 of the Companies Act 1985 and our report included the following paragraph:

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements regarding the status of the company as a going concern. The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued support of the shareholder and the company's bankers. As described in the accounting policies it has been indicated that this support will continue for the foreseeable future. Our report is not qualified in this respect.

1 Worsley Court
High Street
Worsley, Manchester
M28 3NJ
3 September 2002



CHAMPI:ON
Chartered Accountants
& Registered Auditors

Casual Dining Limited

Abbreviated Profit and Loss Account

Year Ended 30 April 2001

	Note	Year to 30 Apr 01 £	Period from 2 Jul 99 to 30 Apr 00 £
Gross Profit		4,929,139	1,682,927
Administrative expenses		(5,847,026)	(2,156,069)
Operating Loss	2	(917,887)	(473,142)
Interest receivable and similar income	5	21,858	5,012
Interest payable	6	(120,026)	(8,357)
Loss on Ordinary Activities Before Taxation		(1,016,055)	(476,487)
Tax on loss on ordinary activities		—	—
Loss for the Financial Year		(1,016,055)	(476,487)
Balance brought forward		(476,487)	—
Balance carried forward		(1,492,542)	(476,487)

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 10 to 15 form part of these financial statements.

Casual Dining Limited

Reconciliation of Movements in Shareholders' Funds

Year Ended 30 April 2001

	Year to 30 Apr 01 £	Period from 2 Jul 99 to 30 Apr 00 £
Loss for the financial year	(1,016,055)	(476,487)
New equity share capital subscribed	—	2
Net reduction to funds	(1,016,055)	(476,485)
Opening shareholders' equity deficit	(476,485)	—
Closing shareholders' equity deficit	<u>(1,492,540)</u>	<u>(476,485)</u>

The notes on pages 10 to 15 form part of these financial statements.

Casual Dining Limited

Abbreviated Balance Sheet as at

30 April 2001

	Note	2001 £	2000 £
Fixed Assets			
Intangible assets	7	292,211	307,935
Tangible assets	8	2,744,501	2,866,062
		<u>3,036,712</u>	<u>3,173,997</u>
Current Assets			
Stocks	9	38,219	33,891
Debtors	10	750,036	482,988
Cash at bank and in hand		168,530	108,673
		<u>956,785</u>	<u>625,552</u>
Creditors: Amounts Falling due Within One Year	11	<u>1,911,532</u>	<u>1,387,321</u>
Net Current Liabilities		(954,747)	(761,769)
Total Assets Less Current Liabilities		<u>2,081,965</u>	<u>2,412,228</u>
Creditors: Amounts Falling due after More than One Year	12	<u>3,574,505</u>	<u>2,888,713</u>
		<u>(1,492,540)</u>	<u>(476,485)</u>
Capital and Reserves			
Called-up equity share capital	14	2	2
Profit and Loss Account		(1,492,542)	(476,487)
Deficiency		<u>(1,492,540)</u>	<u>(476,485)</u>

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 3 September 2002 and are signed on their behalf by:

C Hanna



The notes on pages 10 to 15 form part of these financial statements.

Casual Dining Limited

Cash Flow Statement

Year Ended 30 April 2001

	Year to 30 Apr 01 £	£	Period from 2 Jul 99 to 30 Apr 00 £	£
Net Cash (Outflow)/Inflow From Operating Activities		(609,420)		462,742
Returns on Investments and Servicing of Finance				
Interest received	21,858		5,012	
Interest paid	(106,780)		(1,393)	
Interest element of finance leases	(13,246)		(6,964)	
Net Cash Outflow From Returns on Investments and Servicing of Finance		(98,168)		(3,345)
Capital Expenditure				
Payments to acquire intangible fixed assets	—		(314,487)	
Payments to acquire tangible fixed assets	(210,312)		(2,969,250)	
Net Cash Outflow From Capital Expenditure		(210,312)		(3,283,737)
Cash Outflow Before Financing		(917,900)		(2,824,340)
Financing				
Issue of equity share capital	—		2	
Repayment of debenture loans	(350,000)		2,835,000	
Bank loans advanced	1,365,000		—	
Capital element of finance leases	(37,243)		98,011	
Net Cash Inflow From Financing		977,757		2,933,013
Increase in Cash		59,857		108,673

RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Year to 30 Apr 01 £	Period from 2 Jul 99 to 30 Apr 00 £
Operating loss	(917,887)	(473,142)
Amortisation	15,724	6,552
Depreciation	331,873	103,188
Increase in stocks	(4,328)	(33,891)
Increase in debtors	(267,048)	(482,988)
Increase in creditors	232,246	1,343,023
Net cash (outflow)/inflow from operating activities	(609,420)	462,742

The notes on pages 10 to 15 form part of these financial statements.

Casual Dining Limited

Cash Flow Statement *(continued)*

Year Ended 30 April 2001

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001		2000	
	£	£	£	£
Increase in cash in the period	59,857		108,673	
Net cash outflow from/(inflow) from debentures	350,000		(2,835,000)	
Net cash (inflow) from bank loans	(1,365,000)		-	
Cash outflow in respect of finance leases	37,243		(98,011)	
		(917,900)		(2,824,338)
Change in net debt		(917,900)		(2,824,338)
Net debt at 1 May 2000		(2,824,338)		-
Net debt at 30 April 2001		<u>(3,742,238)</u>		<u>(2,824,338)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 2000 £	Cash flows £	At 30 Apr 2001 £
Net cash:			
Cash in hand and at bank	108,673	59,857	168,530
Debt:			
Debt due within 1 year	-	(300,000)	(300,000)
Debt due after 1 year	(2,835,000)	(715,000)	(3,550,000)
Finance lease agreements	(98,011)	37,243	(60,768)
	<u>(2,933,011)</u>	<u>(977,757)</u>	<u>(3,910,768)</u>
Net debt	<u>(2,824,338)</u>	<u>(917,900)</u>	<u>(3,742,238)</u>

The notes on pages 10 to 15 form part of these financial statements.

Casual Dining Limited

Notes to the Abbreviated Financial Statements

Year Ended 30 April 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The directors have assumed the going concern basis for the preparation of these accounts. The business has successfully negotiated a refinancing package involving the shareholder and the company's bank. In order to continue in operational existence the company is reliant upon their continued support. It has been indicated that this support will continue for the foreseeable future.

Turnover

Turnover represents the amounts, excluding value added tax, derived from the provision of goods and services to customers during the year.

Goodwill

Goodwill arising on acquisitions is capitalised and amortised through the profit and loss account on a straight line basis over 20 years. This is the period over which the directors estimate that the values of the underlying business acquired are expected to exceed the value of the underlying assets.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 5% Straight line

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Short leasehold improvements - over the lease term

Plant & Machinery - 12.5%-20%

Fixtures & Fittings - 20%

Stocks

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

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Casual Dining Limited

Notes to the Abbreviated Financial Statements

Year Ended 30 April 2001

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. OPERATING LOSS

Operating loss is stated after charging:

	Year to 30 Apr 01 £	Period from 2 Jul 99 to 30 Apr 00 £
Amortisation	15,724	6,552
Depreciation	331,873	103,188
Auditors' remuneration		
- as auditors	16,015	22,050
Operating lease costs:		
Plant and equipment	—	30,000

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	Year to 30 Apr 01 No.	Period from 2 Jul 99 to 30 Apr 00 No.
Number of administrative staff	10	8
Number of other staff - defineable	238	198
	<u>248</u>	<u>206</u>

Casual Dining Limited

Notes to the Abbreviated Financial Statements

Year Ended 30 April 2001

3. PARTICULARS OF EMPLOYEES *(continued)*

The aggregate payroll costs of the above were:

	Year to 30 Apr 01 £	Period from 2 Jul 99 to 30 Apr 00 £
Wages and salaries	2,647,489	848,710
Social security costs	213,615	70,959
Other pension costs	25,500	10,624
	<u>2,886,604</u>	<u>930,293</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Year to 30 Apr 01 £	Period from 2 Jul 99 to 30 Apr 00 £
Emoluments receivable	176,123	78,443
Value of company pension contributions to money purchase schemes	25,500	10,624
	<u>201,623</u>	<u>89,067</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year to 30 Apr 01 £	Period from 2 Jul 99 to 30 Apr 00 £
Bank interest receivable	2,014	5,012
Other similar income receivable	19,844	-
	<u>21,858</u>	<u>5,012</u>

6. INTEREST PAYABLE

	Year to 30 Apr 01 £	Period from 2 Jul 99 to 30 Apr 00 £
Interest payable on bank borrowing	106,780	1,393
Finance charges	13,246	6,964
	<u>120,026</u>	<u>8,357</u>

Casual Dining Limited

Notes to the Abbreviated Financial Statements

Year Ended 30 April 2001

7. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 May 2000 and 30 April 2001	<u>314,487</u>
Amortisation	
At 1 May 2000	6,552
Charge for the year	<u>15,724</u>
At 30 April 2001	<u><u>22,276</u></u>
Net Book Value	
At 30 April 2001	<u>292,211</u>
At 30 April 2000	<u><u>307,935</u></u>

8. TANGIBLE FIXED ASSETS

	Short Leaseholds £	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost				
At 1 May 2000	2,142,378	698,091	128,781	2,969,250
Additions	<u>18,764</u>	<u>134,528</u>	<u>57,020</u>	<u>210,312</u>
At 30 April 2001	<u><u>2,161,142</u></u>	<u><u>832,619</u></u>	<u><u>185,801</u></u>	<u><u>3,179,562</u></u>
Depreciation				
At 1 May 2000	32,541	54,515	16,132	103,188
Charge for the year	<u>113,631</u>	<u>166,516</u>	<u>51,726</u>	<u>331,873</u>
At 30 April 2001	<u><u>146,172</u></u>	<u><u>221,031</u></u>	<u><u>67,858</u></u>	<u><u>435,061</u></u>
Net Book Value				
At 30 April 2001	<u>2,014,970</u>	<u>611,588</u>	<u>117,943</u>	<u>2,744,501</u>
At 30 April 2000	<u><u>2,109,837</u></u>	<u><u>643,576</u></u>	<u><u>112,649</u></u>	<u><u>2,866,062</u></u>

Finance lease agreements

Included within the net book value of £2,744,501 is £136,284 (2000 - £136,284) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £58,956 (2000 - £24,900).

9. STOCKS

	2001 £	2000 £
Raw materials and consumables	<u>38,219</u>	<u>33,891</u>

Casual Dining Limited

Notes to the Abbreviated Financial Statements

Year Ended 30 April 2001

10. DEBTORS

	2001 £	2000 £
Trade debtors	5,401	—
Other debtors	370,495	373,496
Prepayments and accrued income	374,140	109,492
	<u>750,036</u>	<u>482,988</u>

The debtors above include the following amounts falling due after more than one year:

	2001 £	2000 £
Other debtors	<u>335,000</u>	<u>335,000</u>

11. CREDITORS: Amounts Falling due Within One Year

	2001 £	2000 £
Bank loans and overdrafts	300,000	—
Trade creditors	841,471	511,736
Other creditors including taxation and social security:		
PAYE and social security	61,816	66,632
VAT	323,792	242,523
Finance lease agreements	36,263	44,298
Other creditors	<u>88,932</u>	<u>313,334</u>
	510,803	666,787
Accruals and deferred income	<u>259,258</u>	<u>208,798</u>
	<u>1,911,532</u>	<u>1,387,321</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2001 £	2000 £
Bank loans and overdrafts	<u>300,000</u>	<u>—</u>

The Barclays Treasury Loan is secured by a standard debenture dated 14 May 2000, life cover on Messrs Baker for the sum of £300,000 and McGowan for the sum of £500,000 on each life assured over five years and a first legal charge over the company's leasehold properties.

12. CREDITORS: Amounts Falling due after More than One Year

	2001 £	2000 £
Debenture loans	2,485,000	2,835,000
Bank loans and overdrafts	1,065,000	—
Other creditors:		
Finance lease agreements	24,505	53,713
	<u>3,574,505</u>	<u>2,888,713</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2001 £	2000 £
Bank loans and overdrafts	<u>1,065,000</u>	<u>—</u>

Gasual Dining Limited

Notes to the Abbreviated Financial Statements

Year Ended 30 April 2001

13. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	2001	2000
	£	£
Amounts payable within 1 year	36,263	44,298
Amounts payable between 1 and 2 years	24,505	53,713
	<u>60,768</u>	<u>98,011</u>
Finance lease agreements are analysed as follows:		
Current obligations	36,263	44,298
Non-current obligations	24,505	53,713
	<u>60,768</u>	<u>98,011</u>

14. SHARE CAPITAL

Authorised share capital:

	2001	2000
	£	£
100 Ordinary shares of £1 each	100	100

Allotted, called up and fully paid:

	2001	2000
	£	£
Ordinary share capital	2	—
Issue of ordinary shares	—	2
	<u>2</u>	<u>2</u>