

Company Registration No. 05786163

Underdog Restaurants Limited

Report and Financial Statements

For the Year Ended 31 December 2011

WEDNESDAY



L1A01260

LD5

30/05/2012

#112

COMPANIES HOUSE

Underdog Restaurants Limited

Report and financial statements 2011

| Contents | Page |
|---|-------------|
| Officers and professional advisers | 1 |
| Directors' report | 2 |
| Statement of directors' responsibilities | 3 |
| Independent auditor's report | 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Notes to the financial statements | 7 |

Underdog Restaurants Limited

Report and financial statements 2011

Officers and professional advisers

Directors

W J J Beckett
H J R Gott
P A Campbell
J A Herring
A McLauchlan (appointed 2nd February 2012)

Secretary

A McLauchlan

Registered Office

Unit 402
70 Wapping Wall, London
E1W 3SS

Auditor

Deloitte LLP
Chartered Accountants
Reading

Underdog Restaurants Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

This directors' report has been prepared in accordance with the special provisions relating to small companies under s418 of the Companies Act 2006

Principal activity

The principal activity of the company in the year under review was to operate restaurants under the 'Hawksmoor' brand

Going concern

During the year the company made an operating profit of £1,187k (2010 £408k) The balance sheet however showed net current liabilities of £751k (2010 £36k), chiefly due to continued investment in existing and new restaurants and the timing of the working capital cycle

The directors have reviewed the current and projected financial position of the company in light of the uncertain economic climate and 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

Political and charitable contributions

During the year company made charitable donations in the sum of £18k (2010 £3k) for the benefit of various charities

Dividends

The directors did not recommend the payment of a dividend in the year (2010 £nil)

Directors

The directors who served in the year, except as noted, are presented on page 1 of the annual report

Statement as to disclosure of information to auditor

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

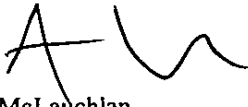
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that 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 expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board


A McLauchlan
Secretary

19th MARCH 2012

Underdog Restaurants 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, 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 Underdog Restaurants Limited

We have audited the financial statements of Underdog Restaurants Limited for the year ended 31 December 2011, which comprise the profit and loss account, the balance sheet, and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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 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 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 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

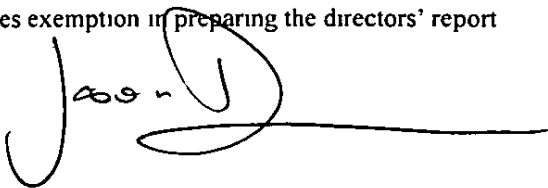
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

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



Date

19 March 2012.

Underdog Restaurants Limited

Profit and loss account For the year ended 31 December 2011

| | Notes | 2011 £'000 | 2010 £'000 |
|--|-------|---------------|---------------|
| Turnover | 2 | 10,627 | 3,721 |
| Cost of sales | | (7,048) | (2,264) |
| Gross profit | | 3,579 | 1,457 |
| Administrative expenses | | (2,412) | (1,056) |
| Other operating income | | 1,167 20 | 401 7 |
| Operating profit | 3 | 1,187 | 408 |
| Interest payable and similar charges | | - | (2) |
| Profit on ordinary activities before taxation | | 1,187 | 406 |
| Tax on profit on ordinary activities | 4 | (312) | (117) |
| Profit for the financial year | | 875 | 289 |

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 loss or profit for that financial year. Accordingly, no statement of total recognised gains and losses has been presented

Underdog Restaurants Limited

Balance sheet

As at 31 December 2011

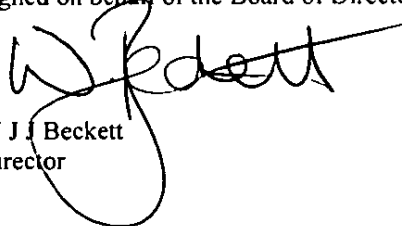
| | Notes | 2011 £'000 | 2010 £'000 |
|---|-------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 5 | 3,250 | 1,591 |
| Current assets | | | |
| Stocks | | 309 | 104 |
| Debtors amounts due within one year | 6 | 342 | 93 |
| Debtors amounts due after one year | 6 | 195 | 95 |
| Cash at bank and in hand | | 938 | 791 |
| | | <u>1,784</u> | <u>1,083</u> |
| Creditors: amounts falling due within one year | 7 | <u>(2,535)</u> | <u>(1,119)</u> |
| Net current liabilities | | <u>(751)</u> | <u>(36)</u> |
| Total assets less current liabilities | | <u>2,499</u> | <u>1,555</u> |
| Provisions for liabilities | 9 | <u>(127)</u> | <u>(72)</u> |
| Net assets | | <u>2,372</u> | <u>1,483</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | - | - |
| Share premium | 11 | 1,001 | 987 |
| Profit and loss account | 11 | 1,371 | 496 |
| Shareholders' funds | | <u>2,372</u> | <u>1,483</u> |

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements of Underdog Restaurants Limited, registered number 05786163 were approved by the Board of Directors and authorised for issue on 19th MARCH 2012

Signed on behalf of the Board of Directors

W J J Beckett
Director



Underdog Restaurants Limited

Notes to the financial statements Year ended 31 December 2011

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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 directors, for the reasons set out in the Directors' Report, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Turnover

Turnover represents restaurant and bar takings registered at point of sale through electronic tills, excluding any discretionary service charge and value added tax

Tangible fixed assets

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

| | |
|-----------------------|----------------------------------|
| Leasehold expenditure | - over the duration of the lease |
| Plant and machinery | - 33 33% straight line on cost |
| Fixtures and fittings | - 20% straight line on cost |

Stocks

Stocks are valued at the lower of cost and net realisable value on a first-in-first-out basis, after making due allowance for obsolete and slow moving items

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the relevant tax rates and laws that have been enacted or substantively 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

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

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 leases is also taken to income on a straight-line basis over the period to the first rent review

2. Turnover

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

Underdog Restaurants Limited

Notes to the financial statements Year ended 31 December 2011

3. Operating profit

The operating profit is stated after charging

| | 2011 £'000 | 2010 £'000 |
|--|---------------|---------------|
| Depreciation – owned assets | 268 | 74 |
| Auditor's remuneration | 22 | 11 |
| Operating lease rentals – other | 232 | 122 |
| | <u>151</u> | <u>92</u> |
| Directors' remuneration and other benefits etc | | |
| | <u>151</u> | <u>92</u> |

4. Taxation

(a) Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

| | 2011 £'000 | 2010 £'000 |
|--------------------------------------|---------------|---------------|
| Current tax | | |
| UK corporation tax | 257 | 46 |
| Underprovision in prior years | - | (1) |
| | <u>257</u> | <u>45</u> |
| Total current tax | | |
| Deferred tax | 55 | 72 |
| | <u>312</u> | <u>117</u> |
| Tax on profit on ordinary activities | | |
| | <u>312</u> | <u>117</u> |

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year varies from the effective rate of corporation tax in the UK of 26.5% (2010 28%). The differences are reconciled below

| | 2011 £'000 | 2010 £'000 |
|---|---------------|---------------|
| Profit on ordinary activities before tax | <u>1,187</u> | <u>406</u> |
| Profit on ordinary activities multiplied by the effective rate of corporation tax in the UK | 315 | 114 |
| Expenditure not deductible for tax purposes | 3 | 1 |
| Timing differences on fixed assets | (61) | (69) |
| Adjustment to tax charge in respect of previous periods | - | (1) |
| | <u>257</u> | <u>45</u> |
| Total current tax (note 4 (a)) | | |
| | <u>257</u> | <u>45</u> |

Underdog Restaurants Limited

Notes to the financial statements Year ended 31 December 2011

5. Tangible fixed assets

| | Leasehold expenditure £'000 | Plant and machinery £'000 | Fixtures and fittings £'000 | Total £'000 |
|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|----------------|
| Cost | | | | |
| At 1 January 2011 | 1,255 | 270 | 196 | 1,721 |
| Additions | 1,144 | 346 | 437 | 1,927 |
| At 31 December 2011 | 2,399 | 616 | 633 | 3,648 |
| Accumulated depreciation | | | | |
| At 1 January 2011 | 40 | 51 | 39 | 130 |
| Charge for the year | 76 | 101 | 91 | 268 |
| At 31 December 2011 | 116 | 152 | 130 | 398 |
| Net book value | | | | |
| At 31 December 2011 | 2,283 | 464 | 503 | 3,250 |
| At 31 December 2010 | 1,215 | 219 | 157 | 1,591 |

6 Debtors

Amounts falling due within one year

| | 2011 £'000 | 2010 £'000 |
|---------------|---------------|---------------|
| Trade debtors | 163 | 33 |
| Other debtors | 75 | 23 |
| Prepayments | 104 | 37 |
| | 342 | 93 |

Amounts falling due after more than one year

| | 2011 £'000 | 2010 £'000 |
|---------------|---------------|---------------|
| Other debtors | 195 | 95 |

Underdog Restaurants Limited

Notes to the financial statements Year ended 31 December 2011

7. Creditors: amounts falling due within one year

| | 2011 £'000 | 2010 £'000 |
|------------------------------------|---------------|---------------|
| Trade creditors | 939 | 458 |
| Corporation tax | 257 | 46 |
| Other taxation and social security | 642 | 188 |
| Other creditors | 233 | 185 |
| Accruals and deferred income | 464 | 242 |
| | <u>2,535</u> | <u>1,119</u> |

8. Provisions for liabilities and charges

| | 2011 £'000 | 2010 £'000 |
|-----------------------------------|---------------|-----------------------------------|
| Provision for deferred taxes | <u>127</u> | <u>72</u> |
| | | Deferred tax £'000 |
| On accelerated capital allowances | | <u>127</u> |
| Balance at 31 December 2011 | | <u>127</u> |

9. Called up share capital

| | 2011 £ | 2010 £ |
|--|------------|------------|
| Allotted, issued and fully paid | | |
| 9,500 Ordinary "A" shares of 1p each | 95 | 95 |
| 1,820 Ordinary "B" shares of 1p each | 18 | 17 |
| 7,400 Ordinary "C" shares of 1p each | 74 | 74 |
| | <u>187</u> | <u>186</u> |

The following shares were issued during the year

130 Ordinary "B" shares of 1p for cash of £14,300

The company has three classes of ordinary share, each of which carries no right to fixed income All shares are ranked *pari passu*

Underdog Restaurants Limited

Notes to the financial statements Year ended 31 December 2011

10. Reserves

| | Profit and loss account £'000 | Share premium £'000 | Totals £'000 |
|---------------------|--|---------------------------|-----------------|
| At 1 January 2011 | 496 | 987 | 1,483 |
| Profit for the year | 875 | - | 875 |
| Cash share issue | - | 14 | 14 |
| At 31 December 2011 | <u>1,371</u> | <u>1,001</u> | <u>2,372</u> |

11. Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows

| | Land and buildings | |
|----------------------------|--------------------|---------------|
| | 2011 £'000 | 2010 £'000 |
| Expiring | | |
| Between two and five years | 32 | - |
| In more than five years | <u>303</u> | <u>218</u> |

12. Related party disclosures

The following are considered to be related parties by virtue of common control

- (1) Underdog Projects Limited
- (2) Group 6 Limited
- (3) Underdog Consultancy Services LLP

Aggregate transactions during the year and balances at the year end with the above mentioned related parties are as follows

| | £'000 |
|---|-------|
| Net balances owed by related parties at the beginning of the year | - |
| Net balances owed by related parties at the end of the year | 4 |

13. Control

No individual exercised overall control of the company during the year