

**REGISTERED NUMBER: 07469872 (England and Wales)**

**ABBREVIATED AUDITED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016  
FOR  
CGN RESTAURANTS LIMITED**



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FOR THE YEAR ENDED 30 JUNE 2016**

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**CGN RESTAURANTS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2016**

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**DIRECTORS:**

T M Newnes  
C Newnes

**REGISTERED OFFICE:**

C/O The Accounting Centre  
First Floor  
736 High Road  
North Finchley  
London  
N12 9QD

**REGISTERED NUMBER:**

07469872 (England and Wales)

**AUDITORS:**

THP Limited  
Chartered Accountants  
and Statutory Auditors  
34-40 High Street  
Wanstead  
London  
E11 2RJ

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

The directors present their strategic report for the year ended 30 June 2016.

**REVIEW OF BUSINESS**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

During the year the company continued to develop the business at the four existing sites. The results for the period and financial position of the company are as shown in the annexed financial statements.

The company's key performance indicators are as follows:

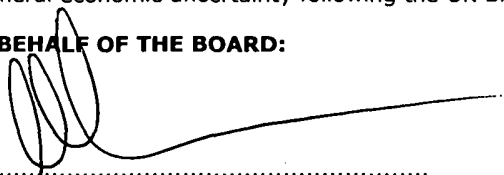
	30 June 2016	30 June 2015	Increase/(decrease)
	£	£	£
Turnover	15,426,577	12,969,070	2,457,507
Gross profit	10,820,624	9,041,769	1,778,855
Gross profit %	70.1%	69.7%	0.4%
Operating profit	493,888	273,943	219,945

**PRINCIPAL RISKS AND UNCERTAINTIES**

The primary risks to which the Company is exposed are common to all major operators of restaurants and are:

- Risk of major damage to the restaurants, caused by fire, flood or other disaster;
- Reduction in customer footfall arising from a change in the make-up of the local environment; and
- General economic uncertainty following the UK Brexit vote in June 2016.

**ON BEHALF OF THE BOARD:**



.....  
C Newnes - Director

Date: 23/1/17 .....

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 JUNE 2016**

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The directors present their report with the accounts of the company for the year ended 30 June 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of operating quick service restaurants.

**DIVIDENDS**

The total distribution of dividends for the year ended 30 June 2016 will be £359,271.

**FUTURE DEVELOPMENTS**

The directors are confident that continued focus on the key management policies will strengthen the financial position of the company during the ensuing year.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2015 to the date of this report.

T M Newnes  
C Newnes

**EMPLOYMENT POLICIES**

The company does not discriminate between employees or potential employees on grounds of colour, race, ethnic or national origin, sex, disability, age, marital status or religious beliefs. Full consideration is given to applications for employment from disabled persons who are able to demonstrate that they have the necessary abilities.

The importance of staff training, equal opportunity, health and safety, environmental matters and the avoidance of sexual harassment is recognised at all levels and is monitored on a regular basis by committees chaired by a director or senior manager reporting directly to the Board.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

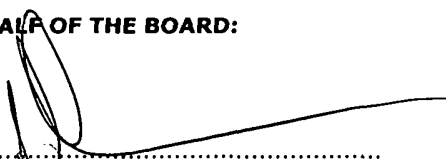
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, THP Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

  
.....  
C Newnes - Director

Date: 23/1/17

**REPORT OF THE INDEPENDENT AUDITORS TO  
CGN RESTAURANTS LIMITED  
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages five to eighteen, together with the full financial statements of CGN Restaurants Limited for the year ended 30 June 2016 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin 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.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Andrew Green LLB FCA (Senior Statutory Auditor)  
for and on behalf of THP Limited  
Chartered Accountants  
and Statutory Auditors  
34-40 High Street  
Wanstead  
London  
E11 2RJ

Date: .....23/1/17.....

**CGN RESTAURANTS LIMITED (REGISTERED NUMBER: 07469872)****ABBREVIATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 £	2015 £
<b>TURNOVER</b>		<b>15,426,577</b>	12,969,070
Cost of sales		<b>(4,605,953)</b>	(3,927,301)
		<b>10,820,624</b>	9,041,769
Administrative expenses		<b>10,326,736</b>	8,767,826
<b>OPERATING PROFIT</b>	4	<b>493,888</b>	273,943
Interest payable and similar charges	5	<b>57,984</b>	51,398
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>435,904</b>	222,545
Tax on profit on ordinary activities	6	<b>31,495</b>	75,257
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>404,409</b>	147,288
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>404,409</b>	147,288

The notes form part of these abbreviated accounts

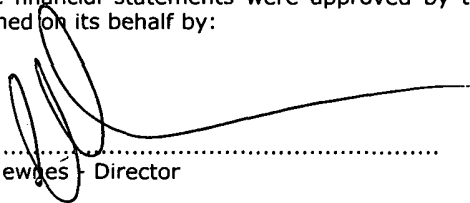
**CGN RESTAURANTS LIMITED (REGISTERED NUMBER: 07469872)**

**ABBREVIATED BALANCE SHEET  
30 JUNE 2016**

	Notes	£	2016	£	£	2015	£
<b>FIXED ASSETS</b>							
Intangible assets	8			<b>2,485,511</b>			2,631,476
Tangible assets	9			<b>1,590,993</b>			1,222,576
Investments	10			<b>5,000</b>			5,000
				<b>4,081,504</b>			3,859,052
<b>CURRENT ASSETS</b>							
Stocks	11		<b>60,320</b>			51,278	
Debtors	12		<b>294,712</b>			317,652	
Cash at bank			<b>666,208</b>			661,864	
			<b>1,021,240</b>			1,030,794	
<b>CREDITORS</b>							
Amounts falling due within one year	13		<b>1,746,874</b>			1,628,059	
<b>NET CURRENT LIABILITIES</b>				<b>(725,634)</b>			(597,265)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				<b>3,355,870</b>			3,261,787
<b>CREDITORS</b>							
Amounts falling due after more than one year	14			<b>(1,560,507)</b>			(1,543,057)
<b>PROVISIONS FOR LIABILITIES</b>	17			<b>(170,064)</b>			(138,569)
<b>NET ASSETS</b>				<b>1,625,299</b>			1,580,161
<b>CAPITAL AND RESERVES</b>							
Called up share capital	18			<b>100</b>			100
Retained earnings	19			<b>1,625,199</b>			1,580,061
<b>SHAREHOLDERS' FUNDS</b>				<b>1,625,299</b>			1,580,161

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 23/1/17 and were signed on its behalf by:

  
.....  
C Newnes - Director

The notes form part of these abbreviated accounts



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 July 2014</b>	100	1,704,759	1,704,859
<b>Changes in equity</b>			
Dividends	-	(271,986)	(271,986)
Total comprehensive income	-	147,288	147,288
<b>Balance at 30 June 2015</b>	100	1,580,061	1,580,161
<b>Changes in equity</b>			
Dividends	-	(359,271)	(359,271)
Total comprehensive income	-	404,409	404,409
<b>Balance at 30 June 2016</b>	100	1,625,199	1,625,299

The notes form part of these abbreviated accounts

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	23	<b>926,522</b>	742,106
Interest paid		<b>(57,984)</b>	(51,398)
Tax paid		<b>10,346</b>	(10,346)
Net cash from operating activities		<b>878,884</b>	680,362
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		-	(30,000)
Purchase of tangible fixed assets		<b>(603,171)</b>	(892,977)
Purchase of fixed asset investments		-	(1,250)
Net cash from investing activities		<b>(603,171)</b>	(924,227)
<b>Cash flows from financing activities</b>			
New loans in year		<b>461,000</b>	800,000
Loan repayments in year		<b>(373,098)</b>	(296,704)
Equity dividends paid		<b>(359,271)</b>	(271,986)
Net cash from financing activities		<b>(271,369)</b>	231,310
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>4,344</b>	(12,555)
<b>Cash and cash equivalents at beginning of year</b>	24	<b>661,864</b>	674,419
<b>Cash and cash equivalents at end of year</b>	24	<b>666,208</b>	661,864

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**1. GENERAL INFORMATION**

The company is a private company limited by shares and incorporated and domiciled in England. Details of the Registered Office are given on page 1.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared on a going concern basis and under the historical cost convention.

**Significant judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**a) Critical judgements in applying the entity's accounting policies**

There are no specific judgements, apart from those involving estimates as detailed below, that management has made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

**b) Critical accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates can differ from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

**(i) Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of tangible assets and note 3 for the depreciation policy in respect of each class of asset.

**(ii) Useful economic live of intangible assets**

Goodwill and intangible assets are amortised over their useful economic lives and are assessed annually for indications of impairment. See note 9 for the net carrying amounts of goodwill and intangible assets.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied, net of returns, discounts and value added taxes.

Sales of goods are recognised on sale to the customer, which is considered to be the point of delivery and when the significant risks and rewards of the goods have been passed to the customer.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2013, is being amortised evenly over its estimated useful life of twenty years.

**Franchise fees**

Franchise fees are amortised on a straight line basis over a period of twenty years.

**Tangible fixed assets**

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

Plant and machinery	- Straight line over 5-7 years
Fixtures and fittings	- Straight line over 5-7 years

Items costing less than £500 are not capitalised but written off to the Profit and Loss Account as incurred.

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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**2. ACCOUNTING POLICIES - continued**

**Stocks**

Stocks are valued at the lower of cost and selling price, after making due allowance for impairment of obsolete or slow moving items. Stocks are recognised as an expense in the period in which the related revenue is recognised..

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties, transport and handling directly attributable to bringing the stock to its present location and condition.

**Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is recognised in other comprehensive income or directly to equity respectively.

Current or deferred tax assets and liabilities are not discounted.

**(i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted at the period end.

**(ii) Deferred tax**

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. *These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.*

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates that are expected to apply to the reversal of the timing difference.

**Foreign currencies**

**(i) Functional and presentation currency**

The company's functional and presentation currency is the pound sterling.

**(ii) Transactions and balances**

Foreign exchange transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items (such as trade debtors and trade creditors) are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

**Employee benefits**

The company provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan.

**(i) Short Term Benefits**

Short term benefits, including holiday pay (where material) and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

**(ii) Pension Scheme**

The company operates a defined contribution pension scheme for its employees. The contributions are recognised as an expense when they are due. Amounts not paid are shown as a creditor on the balance sheet. The assets of the scheme are held separately from the company in independently administered funds.

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 30 JUNE 2016**
**2. ACCOUNTING POLICIES - continued****Financial instruments**

The company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at this value less any provision for impairment.

**3. STAFF COSTS**

	<b>2016</b>	2015
	<b>£</b>	£
Wages and salaries	<b>4,204,546</b>	3,559,186
Social security costs	<b>156,584</b>	163,506
Other pension costs	<b>18,548</b>	24,828
	<b><u>4,379,678</u></b>	<u>3,747,520</u>

The average monthly number of employees during the year was as follows:

	<b>2016</b>	2015
Hourly Paid	<b>472</b>	382
Management	<b>28</b>	25
	<b><u>500</u></b>	<u>407</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2016</b>	2015
	<b>£</b>	£
Depreciation - owned assets	<b>234,754</b>	138,334
Goodwill amortisation	<b>141,465</b>	141,465
Franchise fees amortisation	<b>4,500</b>	4,154
Auditors' remuneration	<b>7,350</b>	7,350
	<b><u>60,864</u></b>	<u>54,222</u>

The Directors of the company are also its "key management" for the purposes of disclosure under FRS 102.

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2016</b>	2015
	<b>£</b>	£
Bank interest	<b><u>57,984</u></b>	<u>51,398</u>

**6. TAXATION****Analysis of the tax charge**

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

	<b>2016</b>	2015
	<b>£</b>	£
Current tax:		
UK corporation tax	-	(10,346)
Deferred tax	<b>31,495</b>	85,603
Tax on profit on ordinary activities	<b><u>31,495</u></b>	<u>75,257</u>

UK corporation tax has been charged at 20% (2015 - 20%).

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 30 JUNE 2016**
**6. TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>435,904</u>	<u>222,545</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	<b>87,181</b>	44,509
Effects of:		
Expenses not deductible for tax purposes	-	3,870
Capital allowances in excess of depreciation	<b>(49,326)</b>	(121,659)
Utilisation of tax losses	<b>(37,855)</b>	62,934
Deferred tax	<u>31,495</u>	<u>85,603</u>
Total tax charge	<u><b>31,495</b></u>	<u>75,257</u>

**7. DIVIDENDS**

	2016 £	2015 £
Interim	<u><b>359,271</b></u>	<u>271,986</u>

**8. INTANGIBLE FIXED ASSETS**

	Goodwill £	Franchise fees £	Totals £
<b>COST</b>			
At 1 July 2015 and 30 June 2016	<u>2,829,311</u>	<u>90,000</u>	<u>2,919,311</u>
<b>AMORTISATION</b>			
At 1 July 2015	282,931	4,904	287,835
Amortisation for year	<u>141,465</u>	<u>4,500</u>	<u>145,965</u>
At 30 June 2016	<u>424,396</u>	<u>9,404</u>	<u>433,800</u>
<b>NET BOOK VALUE</b>			
At 30 June 2016	<u>2,404,915</u>	<u>80,596</u>	<u>2,485,511</u>
At 30 June 2015	<u>2,546,380</u>	<u>85,096</u>	<u>2,631,476</u>

**9. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 July 2015	1,398,528	42,400	1,440,928
Additions	<u>46,672</u>	<u>556,499</u>	<u>603,171</u>
At 30 June 2016	<u>1,445,200</u>	<u>598,899</u>	<u>2,044,099</u>
<b>DEPRECIATION</b>			
At 1 July 2015	216,349	2,003	218,352
Charge for year	<u>162,481</u>	<u>72,273</u>	<u>234,754</u>
At 30 June 2016	<u>378,830</u>	<u>74,276</u>	<u>453,106</u>
<b>NET BOOK VALUE</b>			
At 30 June 2016	<u>1,066,370</u>	<u>524,623</u>	<u>1,590,993</u>
At 30 June 2015	<u>1,182,179</u>	<u>40,397</u>	<u>1,222,576</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 30 JUNE 2016

## 10. FIXED ASSET INVESTMENTS

	Unlisted investments £
<b>COST</b>	
At 1 July 2015 and 30 June 2016	<u>5,000</u>
<b>NET BOOK VALUE</b>	
At 30 June 2016	<u>5,000</u>
At 30 June 2015	<u>5,000</u>

## 11. STOCKS

	2016 £	2015 £
Stocks	<u>60,320</u>	<u>51,278</u>

Stock recognised in cost of sales during the year as an expense was £4,605,953 (2015: £3,927,301).

## 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Corporation tax recoverable	-	10,346
Prepayments	<u>294,712</u>	<u>307,306</u>
	<u>294,712</u>	<u>317,652</u>

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank loans and overdrafts (see note 15)	<u>420,245</u>	349,793
Trade creditors	<u>766,721</u>	696,052
Social security and other taxes	<u>47,863</u>	39,135
VAT	<u>283,951</u>	260,792
Accrued expenses	<u>228,094</u>	282,287
	<u>1,746,874</u>	<u>1,628,059</u>

## 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Bank loans (see note 15)	<u>1,560,507</u>	<u>1,543,057</u>

## 15. LOANS

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year or on demand:		
Bank loans - less than 1 year	<u>420,245</u>	<u>349,793</u>
Amounts falling due between one and two years:		
Bank loans	<u>420,245</u>	<u>349,793</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>1,022,903</u>	<u>1,049,379</u>

Amounts falling due in more than five years:

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 30 JUNE 2016**
**15. LOANS - continued**

	<b>2016</b>	2015
	<b>£</b>	£
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans >5 years payable		
by instalments	<b>117,359</b>	143,885
	<b>117,359</b>	143,885

The bank loans are repayable over a total period of 7 years from inception at a floating rate of 1.4% above base rate. No security has been given.

**16. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>2016</b>	2015
	<b>£</b>	£
Within one year	<b>13,656</b>	-
Between one and five years	<b>54,624</b>	-
In more than five years	<b>64,866</b>	-
	<b>133,146</b>	-

The above lease relates to the office premises.

**Restaurant premises**

	<b>2016</b>	2015
	<b>£</b>	£
Within one year	<b>862,512</b>	862,512

The above relates to the rent payable on the restaurant premises. The lease on the premises has no expiry date.

**17. PROVISIONS FOR LIABILITIES**

	<b>2016</b>	2015
	<b>£</b>	£
Deferred tax		
Accelerated capital allowances	<b>170,064</b>	138,569
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1 July 2015		<b>138,569</b>
Charge to Statement of Comprehensive Income during year		<b>31,495</b>
Balance at 30 June 2016		<b>170,064</b>

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			<b>2016</b>	2015
Number:	Class:	Nominal value:	<b>£</b>	£
100	Ordinary Shares	1	<b>100</b>	100



NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 30 JUNE 2016

## 19. RESERVES

	Retained earnings £
At 1 July 2015	1,580,061
Profit for the year	404,409
Dividends	(359,271)
At 30 June 2016	<u>1,625,199</u>

## 20. RELATED PARTY DISCLOSURES

During the year, total dividends of £359,271 (2015 - £271,986) were paid to the directors.

## 21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is C Newnes.

## 22. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016 £	2015 £
Profit before taxation	435,904	222,545
Depreciation charges	380,719	283,953
Finance costs	57,984	51,398
	<u>874,607</u>	557,896
Increase in stocks	(9,042)	(9,498)
Decrease/(increase) in trade and other debtors	12,594	(144,303)
Increase in trade and other creditors	48,363	338,011
	<u>926,522</u>	<u>742,106</u>
<b>Cash generated from operations</b>	<u>926,522</u>	<u>742,106</u>

## 23. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

## Year ended 30 June 2016

	30.6.16 £	1.7.15 £
Cash and cash equivalents	<u>666,208</u>	<u>661,864</u>

## Year ended 30 June 2015

	30.6.15 £	1.7.14 £
Cash and cash equivalents	<u>661,864</u>	<u>674,419</u>

## 24. FIRST YEAR ADOPTION

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the period ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014. There have been no significant changes in accounting policies as a result of transition to FRS 102 and a reconciliation of profit for the year ended 30 June 2015 and equity as at 1 July 2014 and 30 June 2015 between UK GAAP as previously reported and FRS 102 are shown on the following pages.

**CGN RESTAURANTS LIMITED (REGISTERED NUMBER: 07469872)**

**RECONCILIATION OF EQUITY**

**1 JULY 2014**

**(DATE OF TRANSITION TO FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Intangible assets		2,747,095	-	2,747,095
Tangible assets		467,933	-	467,933
Investments		3,750	-	3,750
		<u>3,218,778</u>	<u>-</u>	<u>3,218,778</u>
<b>CURRENT ASSETS</b>				
Stocks		41,780	-	41,780
Prepayments and accrued income		163,003	-	163,003
Cash at bank		674,419	-	674,419
		<u>879,202</u>	<u>-</u>	<u>879,202</u>
<b>CREDITORS</b>				
Amounts falling due within one year		(1,182,193)	-	(1,182,193)
<b>NET CURRENT LIABILITIES</b>		<u>(302,991)</u>	<u>-</u>	<u>(302,991)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,915,787	-	2,915,787
<b>CREDITORS</b>				
Amounts falling due after more than one year		(1,157,962)	-	(1,157,962)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(52,966)</u>	<u>-</u>	<u>(52,966)</u>
<b>NET ASSETS</b>		<u>1,704,859</u>	<u>-</u>	<u>1,704,859</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		100	-	100
Retained earnings		1,704,759	-	1,704,759
<b>SHAREHOLDERS' FUNDS</b>		<u>1,704,859</u>	<u>-</u>	<u>1,704,859</u>

The notes form part of these abbreviated accounts

RECONCILIATION OF EQUITY - continued  
30 JUNE 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Intangible assets		2,631,476	-	2,631,476
Tangible assets		1,222,576	-	1,222,576
Investments		5,000	-	5,000
		<u>3,859,052</u>	<u>-</u>	<u>3,859,052</u>
<b>CURRENT ASSETS</b>				
Stocks		51,278	-	51,278
Debtors		317,652	-	317,652
Cash at bank		661,864	-	661,864
		<u>1,030,794</u>	<u>-</u>	<u>1,030,794</u>
<b>CREDITORS</b>				
Amounts falling due within one year		(1,628,059)	-	(1,628,059)
<b>NET CURRENT LIABILITIES</b>		<u>(597,265)</u>	<u>-</u>	<u>(597,265)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,261,787	-	3,261,787
<b>CREDITORS</b>				
Amounts falling due after more than one year		(1,543,057)	-	(1,543,057)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(138,569)</u>	<u>-</u>	<u>(138,569)</u>
<b>NET ASSETS</b>		<u>1,580,161</u>	<u>-</u>	<u>1,580,161</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		100	-	100
Retained earnings		1,580,061	-	1,580,061
<b>SHAREHOLDERS' FUNDS</b>		<u>1,580,161</u>	<u>-</u>	<u>1,580,161</u>

The notes form part of these abbreviated accounts

**RECONCILIATION OF PROFIT  
FOR THE YEAR ENDED 30 JUNE 2015**

	<b>UK GAAP £</b>	<b>Effect of transition to FRS 102 £</b>	<b>FRS 102 £</b>
<b>TURNOVER</b>	12,969,070	-	12,969,070
Cost of sales	(3,927,301)	-	(3,927,301)
<b>GROSS PROFIT</b>	9,041,769	-	9,041,769
Administrative expenses	(8,767,826)	-	(8,767,826)
<b>OPERATING PROFIT</b>	273,943	-	273,943
Interest payable and similar charges	(51,398)	-	(51,398)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	222,545	-	222,545
Tax on profit on ordinary activities	(75,257)	-	(75,257)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	147,288	-	147,288

**Notes to the reconciliation of profit or loss**

Statement of Cash Flows

The company's cash flow statement reflects the presentation requirements of FRS 102, which is different to that prepared under FRS 102. In addition the cash flow statement reconciles to cash and cash equivalents, whereas under previous UK GAAP the cash flow statement reconciled to cash.