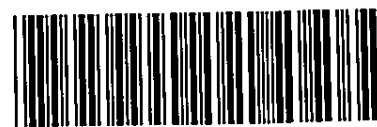


**REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011
FOR
THE WATERLOO BRASSERIE LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2011**

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THE WATERLOO BRASSERIE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTOR: T J Flanagan

SECRETARY: A Davies

REGISTERED OFFICE: Park House
26 North End Road
London
NW11 7PT

REGISTERED NUMBER: 05840721 (England and Wales)

AUDITORS: DTE Business Advisory Services Limited
Chartered Accountants and Registered Auditors
Park House
26 North End Road
London
NW11 7PT

BANKERS: Bank of Scotland Plc
The Mound
Edinburgh
EH1 1YZ

SOLICITORS: Howard Kennedy
19 Cavendish Square
London
W1A 2AW

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2011**

The director presents his report with the financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a restaurant and bar

REVIEW OF BUSINESS

The company has maintained the level of turnover during 2011. In January 2011 the restaurant was closed, refurbished and rebranded as a bar and grill, with new menus and utilising a new PR company. The director anticipated that this would lead to a marked improvement in results for 2011. However, this has not been achieved to the levels anticipated.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2011

DIRECTOR

T J Flanagan held office during the whole of the period from 1 January 2011 to the date of this report

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2011**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is 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 he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The existing auditors have, as a result of an internal reorganisation, split their practice into two companies. A new company, under the original name DTE Business Advisory Services Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This director's report has been prepared in accordance with the special provisions relating to small companies under part 15 of the Companies Act 2006.

ON BEHALF OF THE BOARD:



T J Flanagan - Director

Date

20 June 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE WATERLOO BRASSERIE LIMITED

We have audited the financial statements of The Waterloo Brasserie Limited for the year ended 31 December 2011 on pages six to sixteen. 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 a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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 director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director 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 loss 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 other matter prescribed by the Companies Act 2006

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE WATERLOO BRASSERIE LIMITED**

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Howard Woolf (Senior Statutory Auditor)
for and on behalf of DTE Business Advisory Services Limited
Chartered Accountants and Registered Auditors
Park House
26 North End Road
London
NW11 7PT

Date

22nd June 2012

THE WATERLOO BRASSERIE LIMITED (REGISTERED NUMBER: 05840721)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
TURNOVER	2	1,336,411	1,324,432
Cost of sales		<u>(453,233)</u>	<u>(418,289)</u>
GROSS PROFIT		883,178	906,143
Administrative expenses		<u>(1,102,972)</u>	<u>(1,181,276)</u>
OPERATING LOSS	4	(219,794)	(275,133)
Interest payable and similar charges	5	<u>(15,330)</u>	<u>(15,228)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(235,124)	(290,361)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(235,124)</u></u>	<u><u>(290,361)</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year

The notes form part of these financial statements

THE WATERLOO BRASSERIE LIMITED (REGISTERED NUMBER: 05840721)

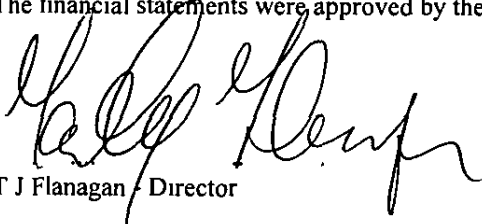
BALANCE SHEET
31 DECEMBER 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	7	32,655	51,158
CURRENT ASSETS			
Stocks	8	29,895	29,647
Debtors	9	50,831	61,952
Cash at bank		9,330	15,879
		<u>90,056</u>	<u>107,478</u>
CREDITORS			
Amounts falling due within one year	10	(1,479,420)	(1,280,221)
NET CURRENT LIABILITIES		<u>(1,389,364)</u>	<u>(1,172,743)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,356,709)</u>	<u>(1,121,585)</u>
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Profit and loss account	14	(1,356,710)	(1,121,586)
SHAREHOLDERS' FUNDS	18	<u>(1,356,709)</u>	<u>(1,121,585)</u>

The financial statements were approved by the director on

20 June 2012

and were signed by


T J Flanagan Director

The notes form part of these financial statements

THE WATERLOO BRASSERIE LIMITED (REGISTERED NUMBER: 05840721)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
Net cash outflow from operating activities	1	(195,477)	(283,195)
Returns on investments and servicing of finance	2	(15,330)	(15,228)
Capital expenditure	2	<u>(6,585)</u>	<u>(12,302)</u>
		(217,392)	(310,725)
Financing	2	<u>222,641</u>	<u>238,407</u>
Increase/(decrease) in cash in the period		<u><u>5,249</u></u>	<u><u>(72,318)</u></u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase/(decrease) in cash in the period		5,249	(72,318)
Cash inflow from increase in debt		<u>(222,641)</u>	<u>(238,407)</u>
Change in net debt resulting from cash flows		<u>(217,392)</u>	<u>(310,725)</u>
Movement in net debt in the period		<u>(217,392)</u>	<u>(310,725)</u>
Net debt at 1 January		<u>(1,057,499)</u>	<u>(746,774)</u>
Net debt at 31 December		<u><u>(1,274,891)</u></u>	<u><u>(1,057,499)</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

1 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating loss	(219,794)	(275,133)
Depreciation charges	25,088	22,464
Increase in stocks	(248)	(5,918)
Decrease/(increase) in debtors	11,121	(2,603)
Decrease in creditors	(11,644)	(22,005)
Net cash outflow from operating activities	(195,477)	(283,195)

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest paid	(15,330)	(15,228)
Net cash outflow for returns on investments and servicing of finance	(15,330)	(15,228)
Capital expenditure		
Purchase of tangible fixed assets	(6,585)	(12,302)
Net cash outflow for capital expenditure	(6,585)	(12,302)
Financing		
Intra-group loans	222,641	238,407
Net cash inflow from financing	222,641	238,407

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 11 £	Cash flow £	At 31 12 11 £
Net cash			
Cash at bank	15,879	(6,549)	9,330
Bank overdraft	(11,798)	11,798	-
	<u>4,081</u>	<u>5,249</u>	<u>9,330</u>
Debt			
Debts falling due within one year	(1,061,580)	(222,641)	(1,284,221)
	<u>(1,061,580)</u>	<u>(222,641)</u>	<u>(1,284,221)</u>
Total	<u>(1,057,499)</u>	<u>(217,392)</u>	<u>(1,274,891)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historic cost convention

These financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption is dependent upon the continued support from a fellow subsidiary company of Bourne Capital Properties Limited. If the company were unable to trade, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

The company has contributed approximately £65,000 of profits during the year before an inter-group rent charge of £300,000. The directors believe the company will continue to contribute to the group for the foreseeable future. Should management find a suitable tenant for the premises the director may consider ceasing trade should this be beneficial to the group. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents amounts receivable for goods and services net of VAT. Sales are recognised on the provision of the service.

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	- 20% on cost
Fixtures, fittings & equipment	- 20% on cost

Stocks

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

Deferred tax

In accordance with FRS19, deferred tax is provided in full in respect of material taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2 TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

3 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	487,968	488,748
Social security costs	37,590	39,370
	<u>525,558</u>	<u>528,118</u>

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

	2011	2010
Restaurant staff	27	22
Administration	4	4
	<u>31</u>	<u>26</u>

4 OPERATING LOSS

The operating loss is stated after charging

	2011	2010
	£	£
Other operating leases	300,000	279,168
Depreciation - owned assets	25,088	22,464
Auditors' remuneration	7,000	7,000
	<u>-</u>	<u>-</u>
Director's remuneration	-	-

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Other interest paid	<u>15,330</u>	<u>15,228</u>

6 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2011 nor for the year ended 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

6 TAXATION - continued

Factors affecting the tax charge

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

	2011 £	2010 £
Loss on ordinary activities before tax	<u>(235,124)</u>	<u>(290,361)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 - 28%)	(61,132)	(81,301)
Effects of		
Depreciation added back	6,523	6,290
Capital allowances	(6,626)	(6,674)
Group relief	<u>61,235</u>	<u>81,685</u>
Current tax charge	<u>-</u>	<u>-</u>

The company has estimated losses of £606,000 (2010 £606,000) available for carry forward against future trading profits

The company also has an unprovided deferred tax asset amounting to £169,000 (2010 £182,000) relating to losses carried forward and accelerated capital allowances

7 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures, fittings & equipment £	Totals £
COST			
At 1 January 2011	22,953	98,183	121,136
Additions	<u>1,906</u>	<u>4,679</u>	<u>6,585</u>
At 31 December 2011	<u>24,859</u>	<u>102,862</u>	<u>127,721</u>
DEPRECIATION			
At 1 January 2011	12,940	57,038	69,978
Charge for year	<u>4,791</u>	<u>20,297</u>	<u>25,088</u>
At 31 December 2011	<u>17,731</u>	<u>77,335</u>	<u>95,066</u>
NET BOOK VALUE			
At 31 December 2011	<u>7,128</u>	<u>25,527</u>	<u>32,655</u>
At 31 December 2010	<u>10,013</u>	<u>41,145</u>	<u>51,158</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

8 STOCKS

	2011	2010
	£	£
Restaurant stock	<u>29,895</u>	<u>29,647</u>

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade debtors	426	2,827
Other debtors	34,371	43,952
Prepayments and accrued income	<u>16,034</u>	<u>15,173</u>
	<u>50,831</u>	<u>61,952</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts (see note 11)	-	11,798
Trade creditors	109,999	67,445
Amounts owed to group undertakings	-	1,061,580
Amounts owed to fellow subsidiary	1,284,221	-
Social security and other taxes	10,281	13,351
VAT	30,194	28,000
Other creditors	7,854	16,267
Accruals and deferred income	<u>36,871</u>	<u>81,780</u>
	<u>1,479,420</u>	<u>1,280,221</u>

11 LOANS

An analysis of the maturity of loans is given below

	2011	2010
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>-</u>	<u>11,798</u>

12 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

		Land and buildings
	2011	2010
	£	£
Expiring		
Between one and five years	<u>300,000</u>	<u>300,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2011 £	2010 £
1	Ordinary		<u>1</u>	<u>1</u>

14 RESERVES

	Profit and loss account £
At 1 January 2011	(1,121,586)
Deficit for the year	<u>(235,124)</u>
At 31 December 2011	<u>(1,356,710)</u>

15 ULTIMATE PARENT COMPANY

During the year the immediate parent company was Happybadge Projects Limited, a company registered in England and Wales. The ultimate parent company is Bourne Capital Properties Limited, a company registered in Cyprus.

On 31 December 2011, Happybadge Projects Limited transferred its interest in the share capital of this company to B C Leisure Management Limited, a fellow subsidiary company of Bourne Capital Properties Limited.

Happybadge Projects Limited prepares group financial statements and copies can be obtained from Park House, 26 North End Road, London NW11 7PT.

16 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with wholly-owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

At 31 December 2011, the company owed £1,284,221 (2010 £117,161) to Happybadge Projects Limited, a fellow subsidiary company of Bourne Capital Properties Limited.

At 31 December 2011, the company owed £nil (2010 £294,843) to Grandseal Limited, a fellow subsidiary company of Bourne Capital Properties Limited.

At 31 December 2011, the company owed £nil (2010 £649,576) to Leisure Box Limited, a fellow subsidiary company of B C Leisure Management Limited.

17 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is R A Bourne by virtue of his beneficial interest in a trust that has a material interest in the ultimate parent company.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Loss for the financial year	(235,124)	(290,361)
Net reduction of shareholders' funds	(235,124)	(290,361)
Opening shareholders' funds	(1,121,585)	(831,224)
Closing shareholders' funds	(1,356,709)	(1,121,585)