

BRASSERIE
BLANC

ANNUAL REPORT AND ACCOUNTS 2009





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COMPANY BLANC BRASSERIES HOLDINGS PLC **COMPANY REGISTRATION NUMBER** 05699494 **REGISTERED OFFICE** 301 AVEBURY BOULEVARD, CENTRAL MILTON KEYNES, BUCKINGHAMSHIRE, MK9 2GA **DIRECTORS** C J M HARDIE CBE, (CHAIRMAN), S P EDWARDS, R R A BLANC, M DERRY, I R H GLYN, J D LEDERER, N HALL **SECRETARY** N HALL **BANKERS** BARCLAYS BANK PLC, FLOOR 27, 1 CHURCHILL PLACE, LONDON, E14 5HB **SOLICITORS** ROYTHORNES LLP, 8 THE ROPEWALK, NOTTINGHAM, NG1 5DT ALSO FLADGATE LLP, 25 NORTH ROW, LONDON, W1K 6DJ **AUDITOR** BAKER TILLY UK AUDIT LLP, EXCHANGE HOUSE, 446 MIDSUMMER BOULEVARD, CENTRAL MILTON KEYNES, MK9 2EA





BRASSERIE
BLANC



CHAIRMAN'S STATEMENT

Sales increased 37% from £7.5m in 2008 to £10.3m in 2009 reflecting the continued growth in the number of restaurants. Restaurant EBITDA, excluding the losses attributable to closed units marked for disposal, almost doubled from £991k in 2008 to £1.96m in 2009. After the occupancy costs of closed units, pre-opening costs in relation to new restaurant openings and central overheads, the Group recorded an operating loss before exceptional items of £128,409 compared to a loss of £613,638 in 2008.

Both this year and last, the bottom line was heavily affected by exceptional costs. The exceptional items represent a real diminution of shareholder value. They arise, both this year and last, from the closure or sale of three old sites – Birmingham, Manchester and Tunbridge Wells. Birmingham has been sold but despite our best endeavours we have not yet, in the present quite difficult environment, been able to dispose of the other two. Hence, following current accounting standards, we have been obliged to make additional provision in 2009 for a proportion of the payments due in the future under those leases.

It is however very encouraging that despite the effect of the recession which has engulfed the UK economy, trading and profitability matched the budget which we set for them more than a year earlier and before the full horrors of the banking crisis had become apparent. I am comforted that the Brasserie Blanc concept seems to please its market and is robust and flexible enough to adapt to extremely challenging

conditions. Most encouragingly, while our peers and competition have significantly increased their discounting and promotional activity, we have not followed them and have therefore preserved the commercial integrity of our brand.

The government has recently introduced new regulations regarding minimum wage and service charge. This will be a significant cost issue for many in the restaurant industry, but I am pleased to report that your Company has been fully compliant for some time and it is therefore reasonable to assume that Brasserie Blanc will gain some competitive advantage in the coming months as others reposition their prices to recover the cost of complying.

During the year we opened new Brasseries in Bristol and Gunwharf Quays in Portsmouth and at the time of writing we are preparing to commit to a further Brasserie in Threadneedle Street in the City of London. Both Bristol and Portsmouth have opened well.

At the beginning of 2009, four of my colleague executive directors provided the Company with a mezzanine facility, on terms which we believe are slightly more favourable for the Company than the market was offering, to ensure that whatever the recessionary effect of the national economic disarray, your Company would remain within its banking obligations. That resource together with cash generated from trading activities meant that the investment in the three openings referred to above has been managed comfortably within existing banking facilities.

Trading during the first quarter of the year so far has been good, with both sales and profit in excess of budget. Your Company has now reached the position that, absent a significant downturn in future trading, it could meet its banking obligations and continue to expand, albeit at a relatively pedestrian rate of one new Brasserie per year, from its own cash flow.

However, as we look to the future, your Board is now actively examining opportunities to expand the Company at a significantly faster rate than that. As this would require additional funds, a proposal will soon be circulated to shareholders, which will include the £2million funding arrangement referred to in the Directors' Report.

C J M HARDIE CBE

4 November 2009

DIRECTORS' REPORT

THE DIRECTORS PRESENT THEIR REPORT AND THE FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 28 JUNE 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Group is the operation of restaurants.

RESULTS AND DIVIDENDS

The board of directors assess trading performance using the measure of 'Restaurant EBITDA'. Restaurant EBITDA is defined as the earnings from the restaurant estate before deduction of interest, tax and depreciation associated with the restaurants. The continuing estate relates to the restaurants at Oxford, Cheltenham, Leeds, Milton Keynes, Winchester, Bristol and Portsmouth. The sites of Manchester and Tunbridge Wells are discussed as discontinued operations. Restaurant EBITDA for the continuing estate increased to £1.96m (2008: £990k). Trading losses and occupancy costs relating to restaurants either sold or marked for disposal amounted to £369k (2008: loss £67k).

Pre-opening costs in respect of new restaurants opened during the period together with central costs and depreciation amounted to £1.7m (2008: £1.5m) resulting in an operating loss before exceptional items of £128,409 (2008: loss £613,638).

The exceptional item of £250k in 2009 is a provision for onerous leases under FRS12, being an estimate of the future liabilities arising out of closed units marked for disposal.

The loss after tax for the year amounted to £587k (2008: loss £1,924k). The directors do not propose the payment of a dividend (2008: £nil).

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Group opened two new Brasseries in Bristol and Portsmouth in the period and both are trading well. They join a continuing estate of restaurants whose performance has exceeded expectations in extremely difficult and uncertain trading conditions.

During the course of the year, trading at the Group's restaurants in Manchester and Tunbridge Wells deteriorated further so that they ceased to make a contribution to their fixed occupancy costs, and in January 2009 they were closed. Both sites have been actively marketed for sale but are expected to remain a burden on profits for some time after the balance sheet date, hence the provision of £250k against onerous lease costs.

The Group's medium term business plan is to continue to open new restaurants and has reached agreement in principle to a new £2m funding arrangement with its major shareholder to facilitate this growth.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group has traded well throughout the difficulties experienced in the general economic climate and has managed to counter a decrease in customer spend with efficiency savings in both labour and variable overheads. The minimum wage increased again on 1st October 2009 and this is outwith the control of the Group but we are unaffected by new regulations in respect of service charges and how they relate to the minimum wage as we have been fully

compliant in this respect for some time. The Board recognises that the growth of unemployment may have an adverse impact on trade but that, conversely, the generally distressed state of the hospitality sector may present opportunities that the Group remains well placed to exploit.

KEY PERFORMANCE INDICATORS

The performance of the Group is measured through the use of two key performance indicators: like for like sales growth and profitability versus annual budget.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

INTEREST RATE RISK

The Group finances its operations through its positive trading cash flow and its capital expenditure programme using loan facilities provided by Barclays Bank plc, interest on which is paid at a margin of 2% over base rate. The Group's exposure to interest rate fluctuations is mitigated by hedging arrangements which exist on up to £2m of this debt, which fix the effective base rate at 4.97%.

LIQUIDITY RISK

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Primarily this is achieved through close management control of working capital and utilisation of existing overdraft facilities.

DISABLED PERSONS AND EMPLOYEE INVOLVEMENT

The Group will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

THE DIRECTORS

Directors at 28 June 2009 were as follows:

C J M Hardie
S P Edwards
R R A Blanc
M Derry
I R H Glyn
J D Lederer
N Hall

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

AUDITORS

Baker Tilly UK Audit LLP were appointed auditors to the Company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

ON BEHALF OF THE BOARD

I R H GLYN
DIRECTOR

4 November 2009

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) 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 Group's and Company's transactions and 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 requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLANC BRASSERIES HOLDINGS PLC

We have audited the financial statements which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, and the related notes.

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 sections 495 and 496 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 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 AUDITORS

As more fully explained in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Parent Company's affairs as at 28 June 2009 and of the Group's 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 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company's 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

JEREMY READ

SENIOR STATUTORY AUDITOR
BAKER TILLY UK AUDIT LLP
STATUTORY AUDITOR
CHARTERED ACCOUNTANTS
EXCHANGE HOUSE
446 MIDSUMMER BOULEVARD
CENTRAL MILTON KEYNES
MK9 2EA

6 November 2009



CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 JUNE 2009

	NOTES	2009 £	2008 £
TURNOVER	1	10,298,766	7,471,077
Cost of sales		(2,775,826)	(2,016,083)
GROSS PROFIT		7,522,940	5,454,994
Other operating charges - other administrative expenses	2	(7,651,349)	(6,068,632)
OPERATING LOSS BEFORE EXCEPTIONAL ITEMS	3	(128,409)	(613,638)
Other operating charges - exceptional costs	2	(250,000)	(1,018,412)
OPERATING LOSS		(378,409)	(1,632,050)
Loss on disposal of fixed assets		-	(482,603)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(378,409)	(2,114,653)
Interest receivable and similar income	5	181	35,943
Interest payable and similar charges	6	(209,066)	(15,829)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(587,294)	(2,094,539)
Tax on loss on ordinary activities	7	-	171,000
LOSS FOR THE FINANCIAL YEAR	22	(587,294)	(1,923,539)

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

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

CONSOLIDATED BALANCE SHEET

AT 28 JUNE 2009

	NOTES	2009 £	2008 £
FIXED ASSETS			
Tangible assets	9	6,411,459	4,453,148
CURRENT ASSETS			
Stocks	10	281,402	178,874
Debtors: Amounts falling due within one year	11	408,127	277,733
Debtors: Amounts falling due after more than one year	12	24,144	-
Cash at bank and in hand		2,373	213,175
		716,046	669,782
CREDITORS: Amounts falling due within one year	13	2,343,835	1,807,846
NET CURRENT LIABILITIES		(1,627,789)	(1,138,064)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,783,670	3,315,084
CREDITORS: Amounts falling due after more than one year	14	2,437,619	661,741
PROVISIONS FOR LIABILITIES	16	250,000	-
		2,096,051	2,653,343
CAPITAL AND RESERVES			
Called up equity share capital	20	5,520,394	5,520,394
Share premium	21	138,676	138,676
Share based payment reserve	19	30,000	-
Profit and loss account	22	(3,593,019)	(3,005,727)
SHAREHOLDERS' FUNDS	23	2,096,051	2,653,343

The financial statements on pages 11 to 28 were approved by the board of directors and authorised for issue on 4 November 2009 and are signed on its behalf by:

I R H GLYN Director

COMPANY BALANCE SHEET

AT 28 JUNE 2009

Company Registration No. 05699494

	NOTES	2009 £	2008 £
FIXED ASSETS			
Investments	8	17,397	1,000
CURRENT ASSETS			
Debtors: Amounts falling due within one year	11	445,833	38,263
Debtors: Amounts falling due after more than one year	12	7,199,409	6,186,379
		7,645,242	6,224,642
CREDITORS: Amounts falling due within one year	13	445,833	38,259
NET CURRENT ASSETS		7,199,409	6,186,383
TOTAL ASSETS LESS CURRENT LIABILITIES		7,216,806	6,187,383
CREDITORS: Amounts falling due after more than one year	14	1,654,167	661,741
		5,562,639	5,525,642
CAPITAL AND RESERVES			
Called up equity share capital	20	5,520,394	5,520,394
Share premium account	21	138,676	138,676
Share based payment reserve	19	30,000	-
Profit and loss account	22	(126,431)	(133,428)
SHAREHOLDERS' FUNDS	23	5,562,639	5,525,642

The financial statements on pages 11 to 28 were approved by the board of directors and authorised for issue on 4 November 2009 and are signed on its behalf by:

I R H GLYN Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 28 JUNE 2009

	NOTES	2009 £	2008 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	24	290,508	338,947
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	24	(208,885)	20,114
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	24	(2,549,106)	(2,841,345)
CASH OUTFLOW BEFORE FINANCING		(2,467,483)	(2,482,284)
FINANCING	24	2,183,452	700,000
DECREASE IN CASH	25	(284,031)	(1,782,284)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 JUNE 2009

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Notwithstanding a loss for the year of £587,294, and net current liabilities at the balance sheet date of £1,627,789, the financial statements have been prepared on a going concern basis. As discussed in the Chairman's Statement, the result for the year is in line with the original budgets produced for 2009. The nature of the restaurant industry is such that losses are expected for the start up phase of new restaurants prior to them becoming established in their local markets. Further, the board have taken actions to close restaurants which have not produced sufficient contribution to Group overheads, such as the closures of Manchester and Tunbridge Wells. The losses of these restaurants are therefore not expected to recur.

The directors have produced forecasts for 2010 that show the Company and Group are able to continue to trade within agreed working capital facilities. Actual trading performance for the 3 months ended September 2009 has been ahead of these 2010 forecasts, with continuing restaurant EBITDA of £512,000 for this period compared with a forecast figure for the period of £418,000. Trading has been cash generative for this period. After deducting central overheads and other costs, total Group EBITDA was £179,000 for the period, which is ahead of the forecast of £129,000 for the period.

The directors are confident of the continuing support of its bankers to enable the business to move towards profitability as forecast in the current business plan. The directors expect the support from its bankers will continue, and are in ongoing discussions with its bankers regarding an increased borrowing and overdraft facility.

Additionally, the Company and Group are due to complete a placing to raise a minimum of an additional £2m from its existing shareholders for the continued growth of the Group in due course.

Accordingly, the directors conclude the going concern basis continues to be appropriate. The financial statements do not reflect any adjustments which would be required should the going concern basis not be appropriate.

BASIS OF CONSOLIDATION

The Group financial statements consolidate those of the Company and its subsidiary undertaking drawn up to 28 June 2009. No profit and loss account is presented for Blanc Brasseries Holdings Plc as permitted by Section 408 of the Companies Act 2006. The profit dealt with in the financial statements for the Parent Company was £6,997.

TANGIBLE FIXED ASSETS

All fixed assets are initially recorded at cost.

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:-

- **Leasehold property**
Over the lease term
- **Plant and machinery**
7 years straight-line
- **Fixtures and fittings**
Over the lease term
- **Motor vehicles**
25% reducing balance
- **Computer equipment**
5 years straight-line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying values may not be recoverable.

STOCK

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

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. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events at that date will result in an obligation to

pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be future taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

POST RETIREMENT BENEFITS

During the year the Company made payments to certain employees' personal pension schemes. These costs are charged to the profit and loss account as incurred.

TURNOVER

Turnover represents invoiced value, net of Value Added Tax, of goods and services provided to customers.

INVESTMENTS

Investments are recorded at cost.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

When the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

PROVISIONS

A provision is recognised when the Group has legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions for onerous leases are made to reflect the amounts of leases for which the Group will receive income below that of the lease cost. The effect of the time value of money is not material and therefore the provisions are not discounted.

SHARE BASED PAYMENTS

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employee becomes unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

Fair value is measured by the use of a Binomial model and has been adjusted for the estimated effect of non-transferability, exercise restrictions and behavioural considerations.

NOTES TO THE FINANCIAL STATEMENTS

1.	TURNOVER	2009	2008
		£	£

The turnover and loss before tax are attributable to the principal activity of the Group's trading subsidiary. An analysis of turnover is given below:

United Kingdom	10,298,766	7,471,077
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2.	OTHER OPERATING CHARGES	2009	2008
		£	£

Exceptional costs – impairment of fixed assets	-	1,018,412
Exceptional costs – provision for onerous leases	250,000	-
Other administrative expenses	7,651,349	6,070,257

	7,901,349	7,088,669
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Items have been classified as exceptional due to the materiality and one-off nature of the matters involved.

3.	OPERATING LOSS	2009	2008
		£	£

Operating loss is stated after charging:

Depreciation of owned fixed assets	445,557	357,120
Impairment of fixed assets	-	1,018,412
Loss on disposal of fixed assets	145,238	482,603
Fees payable to the Company's auditors for the audit of the Company's accounts	7,625	14,175
Fees payable to the Company's auditors for other services		
- the audit of the Company's subsidiaries	11,250	-
- other services relating to taxation	4,000	4,750
Operating lease rentals - plant and machinery	29,841	31,758
- land and buildings	868,111	685,285

4.	EMPLOYEES	2009	2008
		£	£
	Wages and salaries	3,248,872	2,806,269
	Social security costs	272,440	209,055
	Other pension costs	3,081	1,225
	Share based payment charge	30,000	-
		3,554,393	3,016,549
		<hr/>	
	The average monthly number of persons (including directors) employed by the Group during the year was:	2009	2008
		No.	No.
	Administrative and restaurant staff	273	209
		<hr/>	
	DIRECTORS' REMUNERATION	2009	2008
		£	£
	In respect of the directors;		
	Emoluments	232,557	198,246
	Company contributions to money purchase pension schemes	2,531	-
	Sums paid to third parties for directors' services	79,688	74,986
	Share options charges	13,603	-
		328,379	273,232
		<hr/>	
	The number of directors to whom retirement benefits are accruing under a defined contribution pension scheme was:	1	-
		<hr/>	
	Emoluments disclosed above include the following amounts paid to the highest paid director:		
	Emoluments for qualifying services	92,538	80,000
	Company pension contributions to money purchase schemes	-	-
	Share option charges	-	-
		<hr/>	
5.	INTEREST RECEIVABLE AND SIMILAR INCOME	2009	2008
		£	£
	Bank interest	181	35,943
		<hr/>	
6.	INTEREST PAYABLE AND SIMILAR CHARGES	2009	2008
		£	£
	Bank interest payable		
	Other interest payable	153,312	15,829
		55,754	-
		209,066	15,829
		<hr/>	

NOTES TO THE FINANCIAL STATEMENTS

7.	TAXATION	2009 £	2008 £
	Current taxation: UK Corporation tax	-	-
	Deferred taxation:		
	Origination and reversal of timing differences (note 15)	-	(171,000)
	Adjustment in respect of previous years	-	-
	Total deferred tax	<u>-</u>	<u>(171,000)</u>
	Loss on ordinary activities before tax	(587,294)	(2,094,539)
	Loss on ordinary activities multiplied by standard rate of tax of 28% (2008: 30%)	(164,442)	(628,362)
	Expenses not deductible for tax purposes	90,552	183,593
	Depreciation in advance of capital allowances	60,304	134,201
	Other timing differences	9,550	-
	Tax losses carried forward	4,036	310,568
	Current tax charge for period	<u>-</u>	<u>-</u>

8.	INVESTMENTS	SHARES IN SUBSIDIARY UNDERTAKING £
	COMPANY	
	Cost:	
	At 30 June 2008	1,000
	Share option contribution	16,397
	At 28 June 2009	<u>17,397</u>

At 28 June 2009, the Company owned 100% of the ordinary share capital of Blanc Brasseries Limited, a Company incorporated in England and Wales, and which operates restaurants.

9. TANGIBLE FIXED ASSETS

	LEASEHOLD PROPERTY £	PLANT AND MACHINERY £	ASSETS UNDER COURSE OF CONSTRUCTION £	FIXTURES AND FITTINGS £	COMPUTER EQUIPMENT £	TOTAL £
Cost						
At 30 June 2008	2,236,997	1,205,366	563,560	2,010,146	134,970	6,151,039
Additions	144,770	79,813	2,315,548	7,718	1,257	2,549,106
Transfers	308,966	752,227	(2,879,108)	1,791,810	26,105	-
Disposals	(105,506)	-	-	(39,732)	-	(145,238)
At 28 June 2009	2,585,227	2,037,406	-	3,769,942	162,332	8,554,907
Depreciation						
At 30 June 2008	946,466	377,822	-	306,522	67,081	1,697,891
Charged in the year	102,606	187,672	-	133,683	21,596	445,557
Disposals	-	-	-	-	-	-
At 28 June 2009	1,049,072	565,494	-	440,205	88,677	2,143,448
Net book value						
At 28 June 2009	1,536,155	1,471,912	-	3,329,737	73,655	6,411,459
At 30 June 2008	1,290,531	827,544	563,560	1,703,624	67,889	4,453,148

The assets of the Company have been secured by Barclays Bank plc in relation to the Development Loan facility granted to Blanc Brasseries Holdings plc during the year. Assets are secured by way of a guarantee, debenture, fixed and floating charges. Assets under course of construction are not depreciated until they come into operation.

COMPANY

The Company does not have any fixed assets.

10. STOCKS

	2009 £	GROUP 2008 £	2009 £	COMPANY 2008 £
Consumable stock	256,625	164,046	-	-
Goods for resale	24,777	14,828	-	-
	281,402	178,874	-	-

NOTES TO THE FINANCIAL STATEMENTS

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	GROUP 2008	2009	COMPANY 2008
	£	£	£	£
Other debtors	94,896	87,852	-	4
Amounts owed by Group undertakings	-	-	445,833	38,259
Prepayments and accrued income	313,231	189,881	-	-
	408,127	277,733	445,833	38,263

12. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009	GROUP 2008	2009	COMPANY 2008
	£	£	£	£
Prepayments and accrued income	24,144	-	-	-
Amounts owed by Group undertakings	-	-	7,199,409	6,186,379
	24,144	-	7,199,409	6,186,379

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	GROUP 2008	2009	COMPANY 2008
	£	£	£	£
Bank overdraft	73,229	-	-	-
Bank loan	445,833	38,259	445,833	38,259
Trade creditors	675,603	1,011,070	-	-
Other taxation and social security	321,818	238,453	-	-
Other creditors	296,873	54,191	-	-
Accruals and deferred income	530,479	465,873	-	-
	2,343,835	1,807,846	445,833	38,259

The bank overdraft is secured against the assets of the business.

Trade creditors includes £Nil (2008: £397,051) in respect of fixed asset purchases.

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

	2009	GROUP 2008	2009	COMPANY 2008
	£	£	£	£
Bank loan	1,654,167	661,741	1,654,167	661,741
Other loan	783,452	-	-	-
	2,437,619	661,741	1,654,167	661,741

The bank loan is secured by a charge over the Group's assets.

15. DEFERRED TAXATION

The movement in deferred taxation during the year was:

	2009	GROUP	2009	COMPANY
	£	2008	£	2008
		£		£
Provision brought forward	-	171,000	-	-
Profit and loss account movement arising during the year	-	(171,000)	-	-
Provision carried forward	-	-	-	-

Unprovided deferred taxation consists of the tax effects of the following timing differences:

	2009	GROUP	2009	COMPANY
	£	2008	£	2008
		£		£
Accelerated capital allowances	161,000	100,000	-	-
Other short term timing differences	10,000	-	-	-
Tax losses	198,000	194,000	12,000	14,000
	369,000	294,000	12,000	14,000

No deferred tax asset will be recognised in respect of these amounts until the timing of recovery is more certain.

16. PROVISIONS FOR LIABILITIES

A provision has been made for onerous lease costs in respect of the sites that were closed during the year.

	Total £
Balance at 30 June 2008	-
Provision made in the year	250,000
Balance at 28 June 2009	250,000

17. PENSION COMMITMENTS

The Group operates a defined contribution scheme and makes contributions to individual money purchase pension plans on behalf of certain employees. The pension cost in respect of these schemes amounted to £3,081 (2008: £1,225). No outstanding contributions to these schemes existed at year end.

NOTES TO THE FINANCIAL STATEMENTS

18. LEASING COMMITMENTS

At 28 June 2009 the Group had annual commitments under non-cancellable operating losses as set out below.

GROUP	PLANT AND MACHINERY		LAND AND BUILDINGS	
	2009	2008	2009	2008
	£	£	£	£
Operating leases which expire:				
Within 1 year	9,680	4,458	-	-
Within 2 to 5 years	19,012	22,629	16,200	16,200
After more than 5 years	-	-	938,756	673,756
	28,692	27,087	954,956	689,956

19. EQUITY SETTLED SHARE BASED PAYMENTS

During the year, the subsidiary Blanc Brasseries Limited has granted options over the 'B' Ordinary shares of Blanc Brasseries Holdings Plc to managers and executives as follows:

Date of grant	Original options price per share	As at 30 June 2008, the number of ordinary shares over which options are outstanding	During the year, the number of ordinary shares over which options were granted	During the year, the number of ordinary shares over which options lapsed	During the year, the number of ordinary shares over which options were cancelled	As at 28 June 2009, the number of ordinary shares over which options are outstanding
17 August 2008	0.001	Nil	415,000	Nil	7,000	408,000

The options are subject to certain vesting criteria and are exercisable on or before the tenth anniversary of their grant.

No options were exercised during the year. Options outstanding at 28 June 2009 were exercisable at a price of 0.001p per share and have a weighted average remaining contractual life of 10 years.

Options are granted with a fixed exercise price. Options were granted during the year with an exercise price of 0.001p. The contractual life of all options is ten years from the grant date (to 27 August 2018). Options become exercisable immediately after being granted. Options are valued using the Binomial option pricing model.

The fair value of share based payments charged to the profit and loss account in the year was £30,000.

The fair market value has been estimated using the following key assumptions based on the information available at the date of grant:

	2009
Weighted average exercise price at date of grant (p)	0.001
Weighted average volatility at date of grant (%)	40
Weighted average fair value at date of grant	0.34
Risk free rate (%)	5
Dividend yield (%)	Nil

20. SHARE CAPITAL

	2009	2008
	£	£
Authorised:		
6,990,000 ordinary 'A' shares of £1 each	6,990,000	6,990,000
10,000,000 (2008: 10,000) ordinary 'B' shares of £0.001 (2008: £1) each	10,000	10,000
	<u>7,000,000</u>	<u>7,000,000</u>
	No.	£
Allotted, issued and fully paid:		
Equity shares		
'A' ordinary shares of £1 each	5,519,394	5,519,394
'B' ordinary shares of £0.001 each	1,000,000	1,000
	<u>6,519,394</u>	<u>5,520,394</u>

On 26th August 2008 a resolution was passed so that 1,000 issued and 9,000 unissued ordinary 'B' shares of £1 were sub-divided into 1,000,000 issued and 9,000,000 unissued ordinary 'B' shares of £0.001 each. The 'A' ordinary shares rank pari passu with the 'B' ordinary shares in respect of both dividends and rights on winding up. A resolution will be put to the next AGM to the effect that in future each 'A' ordinary share ranks pari passu with each 1,000 'B' ordinary shares. In addition, on Exit (a Listing or acquisition by a Third party Purchaser of 90% of the entire share capital of the Company) 'B' ordinary shareholders are entitled to 28% of the proceeds of an Exit, but only if such Exit values the entire share capital at £8,333,000 or more.

21. SHARE PREMIUM ACCOUNT

	2009	2008
	£	£
Balance brought and carried forward	<u>138,676</u>	138,676

22. PROFIT AND LOSS ACCOUNT

	GROUP		COMPANY	
	2009	2008	2009	2008
	£	£	£	£
Balance brought forward	(3,005,727)	(1,082,188)	(133,428)	(135,053)
(Loss)/profit for the financial year	(587,292)	(1,923,539)	6,997	1,625
Balance carried forward	<u>(3,593,019)</u>	(3,005,727)	<u>(126,431)</u>	(133,428)

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	GROUP		COMPANY	
	2009	2008	2009	2008
	£	£	£	£
Opening shareholders' funds	2,653,343	4,576,882	5,525,642	5,524,017
(Loss)/profit for the financial year	(587,292)	(1,923,539)	6,997	1,625
Share based payments	30,000	-	30,000	-
Closing shareholders' funds	<u>2,096,051</u>	2,653,343	<u>5,562,639</u>	5,525,642

NOTES TO THE FINANCIAL STATEMENTS

24. CASH FLOWS

a)	Reconciliation of operating loss to net cash inflow from operating activities	2009	2008
		£	£
	Operating loss	(378,409)	(2,114,653)
	Depreciation	445,557	357,120
	Impairment of fixed assets	-	1,018,412
	Loss on disposal of assets	145,238	482,603
	Share based payment charge	30,000	-
	Increase in stocks	(102,528)	(99,827)
	(Increase)/decrease in debtors	(154,538)	96,795
	Increase in provisions	250,000	-
	Increase in creditors	55,188	598,497
	Net cash flow from operating activities	290,508	338,947
b)	Analysis of cash flows for headings netted in the cash flow statement	2009	2008
		£	£
	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
	Interest receivable	181	35,943
	Interest paid	(209,066)	(15,829)
	Net cash (outflow)/inflow from returns on investments and servicing of finance	(208,885)	20,114
	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
	Payments to acquire tangible fixed assets	(2,549,106)	(3,341,345)
	Proceeds from sale of fixed assets	-	500,000
	Net cash outflow for capital expenditure and financial investment	(2,549,106)	(2,841,345)
	FINANCING		
	Receipt of bank loan	1,400,000	700,000
	Receipt of directors loan	783,452	-
	Net cash inflow from financing	2,183,452	700,000
c)	Reconciliation of net cash flow to movement in net debt	2009	2008
		£	£
	Decrease in cash	(284,031)	(1,782,284)
	Cash inflow from bank loans	(1,400,000)	(700,000)
	Cash inflow from other loans	(783,452)	-
	Change in net debt resulting from cash flows	(2,467,483)	(2,482,284)
	Opening net (debt)/cash	(486,825)	1,995,459
	Net debt as at 28 June	(2,954,308)	(486,825)

25. ANALYSIS OF CHANGES IN NET DEBT

	AT 30 JUNE 2008 £	CASH FLOWS £	AT 28 JUNE 2009 £
Net cash:			
Cash in hand and at bank	213,175	(210,802)	2,373
Bank overdraft	-	(73,229)	(73,229)
Net cash	213,175	(284,031)	(70,856)
Debt:			
Debt due within one year	(38,259)	(407,574)	(445,833)
Debt due after one year	(661,741)	(1,775,878)	(2,437,619)
Net debt	(700,000)	(2,183,452)	(2,883,452)
Total	(486,825)	(2,467,483)	(2,954,308)

26. TRANSACTIONS WITH DIRECTORS

During the year the Company accrued 1% of sales as a royalty fee to Mr R R A Blanc, a director of the Company, for use of his right and title in the name 'Raymond Blanc'. The accrued amount of £9,922 (2008: £8,096) is included in Accruals and deferred income. £92,905 (2008: £74,399) has been paid in the year.

During the year expenses relating to fees paid to third parties for directors' services totalled £79,688 (2008: £74,986). In addition, expenses totalling £23,482 (2008: £29,986) were paid to Core Capital LLP (a Company related to a significant shareholder) for consultancy services provided.

During the year the following directors loaned monies to the Group on an arm's length basis as detailed below:

Director	Amount of loan £	Amount repaid in the year £	Interest paid £	Interest accumulated £	Amount of interest outstanding £	Amount of capital outstanding £
J Lederer	20,000	-	338	894	894	20,000
M Derry	250,000	-	4,219	11,178	11,178	250,000
I R H Glyn	380,000	-	6,413	16,991	16,991	380,000
R R A Blanc	100,000	-	1,633	4,389	4,389	100,000
	750,000	-	12,603	33,452	33,452	750,000

Interest was charged at a rate of 20% on the outstanding daily balance, of which 8% was paid and 12% was rolled-up and added to the loan.

During the year, security in the form of a debenture has been given by the Group for the loan provided by I R H Glyn (as trustee) and the other directors.

In addition, N Hall loaned the Group £50,000, but was subsequently repaid the monies in full.

NOTES TO THE FINANCIAL STATEMENTS

27. RELATED PARTY TRANSACTIONS

The Company is exempt from disclosing transactions within Group companies that are consolidated within the financial statements.

28. ULTIMATE PARENT UNDERTAKING

No one party has control over the Group.

29. FINANCIAL INSTRUMENTS

The Group had taken out a floating rate interest loan in the previous year. In order to manage interest rate risk, the Group entered into an interest rate swap arrangement at a swap rate of 4.97% per annum. The amount of borrowing the Group had outstanding as at 28 June 2009 was £2,100,000. The market value of the swap as at the year-end was a payable of £119,771. The agreement expires on 20 June 2011.

RESTAURANTS

BRISTOL BAKERS & CUTLERS HALLS, QUAKERS FRIARS, CABOT CIRCUS, BRISTOL BS1 3DF TEL 01179 102 410
CHELTENHAM THE QUEEN'S HOTEL, THE PROMENADE, CHELTENHAM GL50 1NN TEL 01242 266 800 **LEEDS**
VICTORIA MILL, SOVEREIGN STREET, LEEDS LS1 4BJ TEL 0113 220 6060 **MILTON KEYNES** CHELSEA HOUSE, 301
AVEBURY BOULEVARD, CENTRAL MILTON KEYNES MK9 2GA TEL 01908 546 590 **OXFORD** 71-72 WALTON STREET,
OXFORD OX2 6AG TEL 01865 510 999 **PORTSMOUTH** 1 GUNWHARF QUAYS, PORTSMOUTH PO1 3FR TEL 02392
891 320 **WINCHESTER** 19-20 JEWRY STREET, WINCHESTER SO23 8RZ TEL 01962 810870 **CITY OF LONDON**
THREADNEEDLE STREET. OPENING EARLY 2010.

