

Registered number
2090397



Palmer's
Chartered Accountants

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Stringfellow Restaurants Limited

Report and Accounts

30 June 2008

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Stringfellow Restaurants Limited
Report and accounts
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Stringfellow Restaurants Limited
Company Information

Directors

P J Stringfellow
C S Silver
R Howe

Secretary

B H Company Secretarial Services

Auditors

Palmers
28 Chipstead Station Parade
Chipstead
Coulsdon
Surrey
CR5 3TF

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Registered office

235 Old Marylebone Road
London
NW1 5QT

Registered number

2090397

Stringfellow Restaurants Limited

Directors' Report

The directors present their report and accounts for the year ended 30 June 2008.

Business review

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. The review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties faced by the company.

The company's principal activity during the year continued to be that of the operation of "Stringfellows" nightclub in London.

The principal activities of subsidiary undertakings are disclosed in the notes to the accounts. Further loans were advanced to Softchoice Ltd, a subsidiary undertaking, during the year to finance additional refurbishment to the premises from which Clearflex Ltd, another subsidiary undertaking, operates a new club. Although trading at the new club has improved compared with the previous year, Clearflex Ltd continues to be reliant on group financial support and the ongoing trading and level of debt are being closely monitored by the directors in terms of its performance in the current economic climate. Since recoverability of the inter-company loan to Softchoice Limited is dependant, in part, on the financial success of the new club, the directors consider that it is prudent to increase the specific provision against the amount due, as set out in note 4 to the accounts.

Note 19 sets out the basis for a provision made in the accounts in respect of a claim for damages against the company, the balance of which now amounts to £360,000. Although the claim for damages has been agreed and settled during year, costs have yet to be finalised and are likely to be the subject of a detailed assessment.

Although the combined effect of these exceptional charges over the past four years has been significant, the underlying trading of the group throughout this period has remained strong. Group turnover for the year ended 30th June 2008 has increased by 2.1% compared with 2007 and although there has been an inevitable decrease in activity during the current financial year, due to the prevailing economic conditions, the directors consider that the group is well-placed to take advantage of opportunities that are likely to arise when a recovery arrives.

Results and dividends

The results for the year are shown on the profit and loss account on page 6. The directors do not recommend payment of a dividend.

Stringfellow Restaurants Limited

Directors' Report

Directors

The following directors served during the year:

P J Stringfellow
C S Silver
R Howe

Political and charitable donations

During the year, the company made charitable contributions totalling £3,117 and donations to the Conservative Party amounting to £3,050.

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 accounts, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. 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.

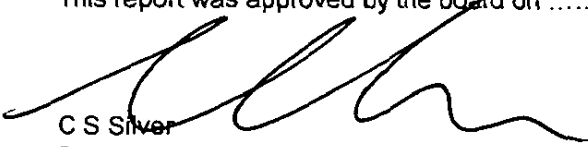
Disclosure of information to auditors

So far as each director at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the board on

9 April 2009


C S Silver
Director

Stringfellow Restaurants Limited
Independent auditors' report
to the shareholders of Stringfellow Restaurants Limited

We have audited the accounts of Stringfellow Restaurants Limited for the year ended 30th June 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 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

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

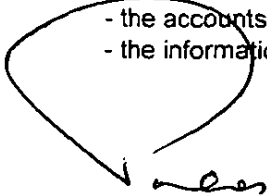
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Stringfellow Restaurants Limited
Independent auditors' report
to the shareholders of Stringfellow Restaurants Limited

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30th June 2008 and of its profit for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.



Palmers
Chartered Accountants and Registered auditors

09.04.2009
.....

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Chipstead
Coulston
Surrey
CR5 3TF

Stringfellow Restaurants Limited
Profit and Loss Account
for the year ended 30 June 2008

	Notes	2008 £	2007 £
Turnover	2	7,418,340	7,315,057
Cost of sales		(2,169,542)	(2,257,136)
Gross profit		<u>5,248,798</u>	<u>5,057,921</u>
Administrative expenses		(3,587,595)	(3,626,933)
Other operating income		624,564	98,198
Operating profit	3	<u>2,285,767</u>	<u>1,529,186</u>
Exceptional items:			
loss on the disposal of investments	4	-	(2)
provision against amounts due from group undertakings		(685,000)	(750,000)
provision for legal damages claim		(180,631)	(250,000)
	4	<u>(865,631)</u>	<u>(1,000,002)</u>
		<u>1,420,136</u>	<u>529,184</u>
Interest receivable		44,708	33,355
Interest payable	7	(159,075)	(245,685)
Profit on ordinary activities before taxation		<u>1,305,769</u>	<u>316,854</u>
Tax on profit on ordinary activities	8	(331,802)	4,232
Profit for the financial year		<u>973,967</u>	<u>321,086</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

Stringfellow Restaurants Limited
Balance Sheet
as at 30 June 2008

	Notes	2008 £	2007 £
Fixed assets			
Intangible assets	9	150,000	150,000
Tangible assets	10	843,839	943,226
Investments	11	51,072	51,072
		<u>1,044,911</u>	<u>1,144,298</u>
Current assets			
Stocks	12	140,260	105,712
Debtors	13	3,590,372	3,822,212
Cash at bank and in hand		622,657	306,882
		<u>4,353,289</u>	<u>4,234,806</u>
Creditors: amounts falling due within one year	14	(2,379,399)	(2,022,129)
Net current assets		<u>1,973,890</u>	<u>2,212,677</u>
Total assets less current liabilities		<u>3,018,801</u>	<u>3,356,975</u>
Creditors: amounts falling due after more than one year	15	(1,069,041)	(1,767,767)
Provisions for liabilities			
Deferred taxation	18	(29,488)	(40,000)
Other provisions	19	(360,000)	(962,903)
		<u>(389,488)</u>	<u>(1,002,903)</u>
Net assets		<u>1,560,272</u>	<u>586,305</u>
Capital and reserves			
Called up share capital	20	500,000	500,000
Revaluation reserve	21	952	952
Profit and loss account	22	1,059,320	85,353
Shareholders' funds	23	<u>1,560,272</u>	<u>586,305</u>

C S Silver

Director

Approved by the board on 9 April 2009

Stringfellow Restaurants Limited
Cash Flow Statement
for the year ended 30 June 2008

	Notes	2008 £	2007 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		2,285,767	1,529,186
Depreciation charges		165,333	182,725
Increase in stocks		(34,548)	(18,499)
Decrease in debtors		231,840	42,757
Decrease in creditors		(1,457,441)	(636,580)
Net cash inflow from operating activities		<u>1,190,951</u>	<u>1,099,589</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		1,190,951	1,099,589
Returns on investments and servicing of finance	24	(114,367)	(212,330)
Taxation		-	1,021
Capital expenditure	24	<u>(65,946)</u>	<u>(39,439)</u>
		1,010,638	848,841
Financing	24	(694,863)	(713,426)
Increase in cash		<u>315,775</u>	<u>135,415</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		315,775	135,415
Decrease in debt and lease financing		694,863	713,426
Change in net debt	25	<u>1,010,638</u>	<u>848,841</u>
Net debt at 1 July		<u>(2,234,308)</u>	<u>(3,083,149)</u>
Net debt at 30 June		<u>(1,223,670)</u>	<u>(2,234,308)</u>

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2008

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention, as modified by the revaluation of leasehold land and buildings, and in accordance with applicable accounting standards.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These accounts, therefore, present information about the company as an individual undertaking and not about its group.

The accounts are prepared to a date which corresponds to the end of the last trading week in an accounting period. In relation to the current accounting period this date was 28th June 2008 (2007 - 30th June 2007).

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	over the lease term
Fixtures and fittings	20% reducing balance
Motor vehicles	25% reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2008

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Unclaimed vouchers

Vouchers are purchased by customers to spend in the club. Unredeemed vouchers, though still legally claimable, are credited to turnover in the profit and loss account after a two year period, in order to comply with Financial Reporting Standard 5 (see note 27 Contingent Liabilities).

Pensions

Pension contributions are charged to the profit and loss account in the period paid.

Investments

Other fixed asset investments are stated at cost less provision for any permanent diminution in value. In respect of listed investments, market value is based on the closing middle market price.

2 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Turnover is attributable to the one principal activity of the company, being that of the operation of "Stringfellows" nightclub in London, and arises wholly within the United Kingdom.

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2008

3 Operating profit	2008	2007
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	158,451	179,912
Depreciation of assets held under finance leases and hire purchase contracts	6,882	2,813
Operating lease rentals - plant and machinery	7,791	8,197
Operating lease rentals - land buildings	528,139	535,000
Auditors' remuneration for audit services	<u>5,750</u>	<u>8,500</u>

4 Exceptional items	2008	2007
	£	£
Provision against amounts due from group undertakings	(685,000)	(750,000)
Provision for legal damages claim (note 19)	(180,631)	(250,000)
Loss on disposal of investments	-	(2)
	<u>(865,631)</u>	<u>(1,000,002)</u>

During the year, the company advanced further loans to Softchoice Limited, a subsidiary undertaking, to enable it to enhance the lease of premises situated in Wardour Street W1 from which another subsidiary undertaking, Clearflex Limited, commenced the operation of a new club on 1st June 2006. The new club has continued to generate losses and since recoverability of the inter-company loan to Softchoice Limited is dependant, in part, on the new club's financial success, the directors consider that it is prudent to increase the specific provision against the amount due.

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2008

5 Directors' emoluments	2008	2007
	£	£
Emoluments	303,798	339,607
Amounts paid by third parties including subsidiary undertakings	676,291	853,650
Company contributions to money purchase pension schemes	-	28,200
	<u>980,089</u>	<u>1,221,457</u>
 Highest paid director: Emoluments	 <u>143,846</u>	 <u>120,606</u>
 Number of directors in company pension schemes:	 2008	 2007
	Number	Number
Money purchase schemes	<u>-</u>	<u>1</u>
 6 Staff costs	 2008	 2007
	£	£
Wages and salaries	2,061,802	2,073,252
Social security costs	197,411	198,876
Other pension costs	-	28,200
	<u>2,259,213</u>	<u>2,300,328</u>
 Average number of employees during the year	 Number	 Number
Office and management	15	14
Bar and restaurant staff	78	80
	<u>93</u>	<u>94</u>
 7 Interest payable	 2008	 2007
	£	£
Bank loans and overdrafts	158,400	245,106
Finance charges payable under finance leases and hire purchase contracts	675	579
	<u>159,075</u>	<u>245,685</u>

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2008

8 Taxation	2008	2007
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	342,314	-
Adjustments in respect of previous periods	-	(1,021)
	<u>342,314</u>	<u>(1,021)</u>
Deferred tax:		
Origination and reversal of timing differences	(10,512)	(3,211)
Tax on profit/(loss) on ordinary activities	<u>331,802</u>	<u>(4,232)</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2008	2007
	£	£
Profit on ordinary activities before tax	<u>1,305,769</u>	<u>316,854</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	391,731	95,056
Effects of:		
Expenses/income not deductible/assessable for tax purposes	194,670	197,696
Capital allowances for period in excess of depreciation	24,339	28,050
Utilisation of tax losses	(268,426)	(320,802)
Adjustments to tax charge in respect of previous periods	-	(1,021)
Current tax charge for period	<u>342,314</u>	<u>(1,021)</u>

Factors that may affect future tax charges

In the opinion of the directors, there are no significant matters to report that may affect future tax charges.

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2008

9 Intangible fixed assets

£

Goodwill:

Cost

At 1 July 2007

150,000

At 30 June 2008

150,000

Amortisation

At 30 June 2008

-

Net book value

At 30 June 2008

150,000

At 30 June 2007

150,000

The trademark relates to the name "Stringfellows". In the opinion of the directors, this trademark is regarded as having an indefinite useful economic life and hence, is not amortised. Furthermore, the directors consider that its current economic value is significantly in excess of its book value.

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2008

10 Tangible fixed assets

	Short leasehold land and buildings £	Plant and machinery £	Total £
Cost			
At 1 July 2007	1,551,918	1,149,622	2,701,540
Additions	-	65,946	65,946
Disposals	-	(9,923)	(9,923)
At 30 June 2008	<u>1,551,918</u>	<u>1,205,645</u>	<u>2,757,563</u>
Depreciation			
At 1 July 2007	993,029	765,285	1,758,314
Charge for the year	72,115	93,218	165,333
On disposals	-	(9,923)	(9,923)
At 30 June 2008	<u>1,065,144</u>	<u>848,580</u>	<u>1,913,724</u>
Net book value			
At 30 June 2008	<u>486,774</u>	<u>357,065</u>	<u>843,839</u>
At 30 June 2007	<u>558,889</u>	<u>384,337</u>	<u>943,226</u>

The company's short leasehold was revalued as at 1st January 1994 by the directors, in conjunction with their professional advisors, on an open market value for existing use. During 2001, FRS 15 "Tangible Fixed Assets" was first implemented and the company adopted the transitional provisions of retaining the carrying value relating to the previous valuation, and no longer updating that valuation. On an historical cost basis, land and buildings would have been included as follows:

Short leasehold land and buildings	2008 £	2007 £
Historical cost	<u>1,201,066</u>	<u>1,201,066</u>
Cumulative depreciation based on historical cost	<u>795,706</u>	<u>735,653</u>
	2008 £	2007 £
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	<u>20,645</u>	<u>8,437</u>

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2008

11 Investments

	Investments in subsidiary undertakings £	Other investments £	Total £
Cost			
At 1 July 2007	16	51,056	51,072
At 30 June 2008	16	51,056	51,072

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Cabaret of the Angels Limited	England and Wales	Ordinary	100
Angels of Mayfair Limited	England and Wales	Ordinary	100
Angels in the City Limited	England and Wales	Ordinary	100
Marylebone Securities Limited	England and Wales	Ordinary	100
Lap Dancing Limited	England and Wales	Ordinary	100
Softchoice Limited	England and Wales	Ordinary	100
Clearflex Limited	England and Wales	Ordinary	100
Stringfellow.com Limited	England and Wales	Ordinary	100

Financial information summary - subsidiaries:

	Nature of business	Aggregate capital & reserves at last accounting date £	Profit for the last financial year £
Cabaret of the Angels Limited	An agency in the leisure industry	1,241,147	228,541
Angels of Mayfair Limited	Non-trading	2	-
Angels in the City Limited	Non-trading	2	-
Marylebone Securities Limited	Non-trading	2	-
Lap Dancing Limited	Non-trading	2	-
Softchoice Limited	Property investment	(3,143,151)	(1,018,221)
Clearflex Limited	Nightclub operator	(1,331,298)	(714,455)
Stringfellow.com Limited	Non-trading	2	-

Other investments	2008 £	2007 £
Listed investments	51,056	51,056
Valuation:		
Listed investments - market value	58,417	55,183

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2008

12 Stocks	2008	2007
	£	£
Finished goods and goods for resale	<u>140,260</u>	<u>105,712</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

13 Debtors	2008	2007
	£	£
Trade debtors	425,149	299,028
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,833,406	3,087,913
Other debtors	-	79,136
Prepayments and accrued income	<u>331,817</u>	<u>356,135</u>
	<u>3,590,372</u>	<u>3,822,212</u>

14 Creditors: amounts falling due within one year	2008	2007
	£	£
Bank loans and overdrafts	768,423	768,423
Obligations under finance lease and hire purchase contracts	8,863	5,000
Trade creditors	286,555	325,354
Amounts owed to group undertakings and undertakings in which the company has a participating interest	308,618	289,612
Corporation tax	342,314	-
Other taxes and social security costs	252,209	245,477
Other creditors	226,982	217,679
Accruals and deferred income	<u>185,435</u>	<u>170,584</u>
	<u>2,379,399</u>	<u>2,022,129</u>

15 Creditors: amounts falling due after one year	2008	2007
	£	£
Bank loans	1,056,845	1,765,267
Obligations under finance lease and hire purchase contracts	<u>12,196</u>	<u>2,500</u>
	<u>1,069,041</u>	<u>1,767,767</u>

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2008

16 Loans	2008	2007
	£	£
Analysis of maturity of debt:		
Within one year or on demand	768,423	768,423
Between one and two years	768,423	768,423
Between two and five years	288,422	996,844
	<u>1,825,268</u>	<u>2,533,690</u>

The bank loans are secured by way of a fixed and floating charge over the company's assets.

17 Obligations under finance leases and hire purchase contracts	2008	2007
	£	£
Amounts payable:		
Within one year	8,863	5,000
Within two to five years	12,196	2,500
	<u>21,059</u>	<u>7,500</u>

18 Deferred taxation	2008	2007
	£	£
Accelerated capital allowances	29,488	40,000
Undiscounted provision for deferred tax	29,488	40,000
	<u>29,488</u>	<u>40,000</u>
	2008	2007
	£	£
At 1 July	40,000	43,211
Deferred tax charge in profit and loss account	(10,512)	(3,211)
	<u>29,488</u>	<u>40,000</u>
At 30 June	29,488	40,000

Stringfellow Restaurants Limited
Notes to the Accounts
for the year ended 30 June 2008

19 Provisions for liabilities

	Legal claims £
At 1 July 2007	962,903
Additional provisions made during the period	180,631
Amounts used - legal fees	(83,534)
Amounts used - part settlement	(700,000)
At 30 June 2008	<u>360,000</u>

As the result of an incident outside the club in October 2004, the company received a vicarious liability claim. Although the claim for damages has been agreed and settled during the year, costs have yet to be finalised and are likely to be the subject of a detailed assessment. Based on expert advice, the directors consider that a maximum specific provision for the remaining costs amounting to £360,000 now reflects their best estimate of the maximum possible outcome; although this amount will be vigorously challenged by the company and the directors anticipate that a settlement will ultimately be reached in Court. In addition to the payment of the final damages sum during the year, legal costs arising in relation to the claim amounting to £83,534 (2007: £56,547), have also been charged against the provision.

20 Share capital

			2008 £	2007 £
Authorised:				
Ordinary shares of £1 each			<u>1,000,000</u>	<u>1,000,000</u>
	2008 No	2007 No	2008 £	2007 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	500,000	500,000	<u>500,000</u>	<u>500,000</u>

21 Revaluation reserve

	2008 £	2007 £
At 1 July	952	952
At 30 June	<u>952</u>	<u>952</u>

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22 Profit and loss account	2008	2007
	£	£
At 1 July	85,353	(235,733)
Profit for the financial year	973,967	321,086
At 30 June	<u>1,059,320</u>	<u>85,353</u>
 23 Reconciliation of movement in shareholders' funds	 2008	 2007
	£	£
At 1 July	586,305	265,219
Profit for the financial year	973,967	321,086
At 30 June	<u>1,560,272</u>	<u>586,305</u>
 24 Gross cash flows	 2008	 2007
	£	£
Returns on investments and servicing of finance		
Interest received	44,708	33,355
Interest paid	(158,400)	(245,106)
Interest element of finance lease rental payments	(675)	(579)
	<u>(114,367)</u>	<u>(212,330)</u>
 Capital expenditure		
Payments to acquire tangible fixed assets	<u>(65,946)</u>	<u>(39,439)</u>
 Financing		
Loan repayments	(708,422)	(708,423)
Capital element of finance lease rental payments	13,559	(5,003)
	<u>(694,863)</u>	<u>(713,426)</u>

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25 Analysis of changes in net debt

	At 1 Jul 2007 £	Cash flows £	Non-cash changes £	At 30 Jun 2008 £
Cash at bank and in hand	306,882	315,775		622,657
Debt due within 1 year	(768,423)	-		(768,423)
Debt due after 1 year	(1,765,267)	708,422		(1,056,845)
Finance leases	(7,500)	(13,559)		(21,059)
		694,863		
Total	(2,234,308)	1,010,638	-	(1,223,670)

26 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2008 £	Land and buildings 2007 £	Other 2008 £	Other 2007 £
Operating leases which expire:				
within one year	-	35,000	-	-
within two to five years	-	-	8,852	8,852
in over five years	500,000	500,000	-	-
	<u>500,000</u>	<u>535,000</u>	<u>8,852</u>	<u>8,852</u>

27 Contingent liabilities

In order to comply with Financial Reporting Standard 5, unclaimed "Heavenly Pound Vouchers" are credited to the profit and loss account on a periodic basis, as stated in the accounting policies. However, the directors consider (on advice) that such vouchers can be redeemed at any time. In addition to the liability for unclaimed vouchers included in other creditors, therefore, the company has a contingent liability of approximately £970,000 (2007: £926,000), which has accrued over the last 12 years.

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28 Related parties

During the year, the company paid an amount of £12,888 (2007: £17,800) to Paul Roberts, the son-in-law of P J Stringfellow, in respect of computer network support services. The services were provided on normal commercial terms and no amounts were owing to him at the balance sheet date.

Cabaret of the Angels Limited (COA), a subsidiary undertaking of the company, charged Stringfellow Restaurants Limited (SRL) a management fee of £758,516 (2007: £796,046) for the year ended 30th June 2008.

At the balance sheet date, an amount of £246,198 (2007: £505,088) was owed by COA.

SRL has acted as guarantor for COA with regard to a bank loan. The bank loan was repaid in full during the year and SRL released from its obligations (2007: £93,030).

Loans amounting to £5,022,208 have been advanced to Softchoice Limited (SCL), a group undertaking. Since the directors consider that there is significant uncertainty concerning the future profitability of SCL, a provision has been made against the inter-company indebtedness amounting to £2,435,000, leaving £2,587,208 (2007: £2,582,825) outstanding at the balance sheet date (note 4).

Loans totalling £308,618 (2007: £289,612) have been advanced to the company by Clearflex Limited (CFL), a group undertaking, which remained outstanding at the balance sheet date. In addition, the company charged CFL a management fee during the year amounting to £477,883 (2007: £nil).

The following entities are deemed to be related parties by virtue of P J Stringfellow and C S Sliver's other directorships and interests:

St Martins Lane Investments Limited

The worldwide non-product licensing branding operation has been contracted to St Martins Lane Investments Limited (SMLI) in return for an upstream royalty of 10% of the income received to this company.

SMLI incurred expenses during the year, amounting to £48,758 (2007: £53,931), for which payment was made by SRL. Total amounts recoverable from SMLI at the balance sheet date amounted to £179,856 (2007: £113,881) and were repaid in full after the end of the financial year.

St Peters France SARL

SMLI owns 100% of St Peters France SARL (SPF), a company incorporated in France. During the year, SRL charged SPF a management fee amounting to £56,325 (2007: £47,601). Total amounts recoverable from SPF at the balance sheet date amounted to £28,000 (2007: £29,522) and were repaid in full after the end of the financial year.

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29 Controlling party

The controlling and ultimate controlling party of the company is C S Silver, a director of the company.