

cro

**Report of the Directors and**  
**Audited Consolidated Financial Statements for the Year Ended 31 March 2012**  
**for**  
**The Chesterford Group Limited**

SATURDAY



\*A1FKP4S8\*

A45

18/08/2012

#96

COMPANIES HOUSE

**Contents of the Consolidated Financial Statements**  
**for the Year Ended 31 March 2012**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Consolidated Profit and Loss Account</b>	<b>5</b>
<b>Consolidated Statement of Total Recognised Gains and Losses</b>	<b>6</b>
<b>Consolidated Balance Sheet</b>	<b>7</b>
<b>Company Balance Sheet</b>	<b>8</b>
<b>Consolidated Cash Flow Statement</b>	<b>9</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>10</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>12</b>

**The Chesterford Group Limited**

**Company Information**  
**for the Year Ended 31 March 2012**

**DIRECTORS:**

H R Lipscombe  
J S Lipscombe  
P J Goodgame

**SECRETARY:**

Mrs E L Fulcher

**REGISTERED OFFICE**

Chesterford House  
14 Stansted Distribution Centre  
Start Hill  
Bishop's Stortford  
Hertfordshire  
CM22 7DG

**REGISTERED NUMBER:**

03531631 (England and Wales)

**AUDITORS.**

Hardcastle Burton LLP  
Chartered Accountants  
Statutory Auditor  
Lake House  
Market Hill  
Royston  
Hertfordshire  
SG8 9JN

**Report of the Directors**  
**for the Year Ended 31 March 2012**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2012

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of a fast food retail outlets and restaurant chain and its holding company

**REVIEW OF BUSINESS**

The group traded successfully through the year and turnover and gross profit margins showed a healthy increase. The group purchased two new shops in May 2011 which have traded as per forecasts. The group also opened a further shop in Hemel Hempstead in March 2012 which is trading successfully. The group has agreed to open new shops in Basingstoke and Red Lodge in Cambridgeshire during this financial year.

The board have assessed the following KPI's and yearly comparisons. Gross profits in 2012 were 65.78% compared with 64.98% in 2011 showing a growth of 0.8% but was offset by a 5.2% rise in turnover to £14,134,640.

Employees are regularly informed of the group's future expansion plans and any condition of employment changes.

**DIVIDENDS**

The directors recommended that there be total interim dividends paid in the year on the ordinary shares totalling £71,930 (2011 - £79,955).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report.

H R Lipscombe

J S Lipscombe

Other changes in directors holding office are as follows:

P J Goodgame - appointed 1 September 2011

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director 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 group's auditors are aware of that information.

The Chesterford Group Limited (Registered number 03531631)

Report of the Directors  
for the Year Ended 31 March 2012

**AUDITORS**

The auditors, Hardcastle Burton LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**



H R Lipscombe - Director

Date

27/7/2012.

**Report of the Independent Auditors to the Members of**  
**The Chesterford Group Limited**

We have audited the financial statements of The Chesterford Group Limited for the year ended 31 March 2012 on pages five to twenty three. 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 directors and auditors**

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

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors 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 group's and of the parent company's affairs as at 31 March 2012 and of the group's profit 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 Directors 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 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.



Denise Lindsell FCA CTA (Senior Statutory Auditor)

for and on behalf of Hardcastle Burton LLP

Chartered Accountants

Statutory Auditor

Lake House

Market Hill

Royston

Hertfordshire

SG8 9JN

Date

1/8/12

**The Chesterford Group Limited (Registered number 03531631)**

**Consolidated Profit and Loss Account**  
**for the Year Ended 31 March 2012**

	Notes	31 3 12 £	31 3 11 £
<b>TURNOVER</b>		14,134,640	13,413,197
Cost of sales		<u>5,141,862</u>	<u>5,005,508</u>
<b>GROSS PROFIT</b>		8,992,778	8,407,689
Administrative expenses		<u>8,366,651</u>	<u>7,708,179</u>
		626,127	699,510
Other operating income		<u>66,399</u>	<u>57,249</u>
<b>OPERATING PROFIT</b>	3	692,526	756,759
Interest receivable and similar income		<u>3</u>	<u>-</u>
		692,529	756,759
Interest payable and similar charges	4	<u>147,990</u>	<u>135,909</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		544,539	620,850
Tax on profit on ordinary activities	5	<u>194,470</u>	<u>256,961</u>
<b>PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b>		<u>350,069</u>	<u>363,889</u>

**CONTINUING OPERATIONS**

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

The notes form part of these financial statements

**The Chesterford Group Limited (Registered number 03531631)**

**Consolidated Statement of Total Recognised Gains and Losses**  
**for the Year Ended 31 March 2012**

	31 3 12 £	31 3 11 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	350,069	363,889
Revaluation of investment property	<u>-</u>	<u>28,000</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u><u>350,069</u></u>	<u><u>391,889</u></u>

The notes form part of these financial statements



**The Chesterford Group Limited (Registered number: 03531631)**

**Consolidated Balance Sheet**

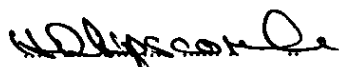
**31 March 2012**

	Notes	31 3 12	31 3 11
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	8	5,141,299	4,559,200
Tangible assets	9	2,087,036	1,973,571
Investments	10	-	-
Investment property	11	-	<u>225,000</u>
		7,228,335	6,757,771
<b>CURRENT ASSETS</b>			
Stocks	12	170,850	166,636
Debtors	13	330,415	274,796
Cash at bank and in hand		<u>287,376</u>	<u>255,086</u>
		788,641	696,518
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>3,043,606</u>	<u>3,225,369</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,254,965)</u>	<u>(2,528,851)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,973,370	4,228,920
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	<u>1,874,995</u>	<u>1,408,684</u>
<b>NET ASSETS</b>		<u><u>3,098,375</u></u>	<u><u>2,820,236</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	18,339	18,339
Share premium	20	1,532,426	1,532,426
Revaluation reserve	20	32,025	104,673
Profit and loss account	20	<u>1,515,585</u>	<u>1,164,798</u>
<b>SHAREHOLDERS' FUNDS</b>	23	<u><u>3,098,375</u></u>	<u><u>2,820,236</u></u>

The financial statements were approved by the Board of Directors on its behalf by

31/7/12

and were signed on



H R Lipscombe - Director

The notes form part of these financial statements

**The Chesterford Group Limited (Registered number: 03531631)**

**Company Balance Sheet**

**31 March 2012**

	Notes	31 3 12 £	£	31 3 11 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		-		-
Tangible assets	9		-		-
Investments	10		4,638,600		4,638,600
Investment property	11		<u>-</u>		<u>-</u>
			4,638,600		4,638,600
<b>CURRENT ASSETS</b>					
Debtors	13	359,765		139,173	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>1,216,152</u>		<u>1,038,745</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(856,387)</u>		<u>(899,572)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,782,213		3,739,028
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		<u>491,601</u>		<u>601,608</u>
<b>NET ASSETS</b>			<u>3,290,612</u>		<u>3,137,420</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		18,339		18,339
Share premium	20		1,532,426		1,532,426
Profit and loss account	20		<u>1,739,847</u>		<u>1,586,655</u>
<b>SHAREHOLDERS' FUNDS</b>	23		<u>3,290,612</u>		<u>3,137,420</u>

The financial statements were approved by the Board of Directors on its behalf by

*31/7/12*

and were signed on

*H R Lipscombe*

H R Lipscombe - Director

The notes form part of these financial statements

**Consolidated Cash Flow Statement**  
**for the Year Ended 31 March 2012**

	Notes	31 3 12 £	£	31 3 11 £	£
<b>Net cash inflow from operating activities</b>	1		1,090,678		1,311,669
<b>Returns on investments and servicing of finance</b>	2		(147,987)		(135,909)
<b>Taxation</b>			(244,036)		(210,919)
<b>Capital expenditure and financial investment</b>	2		(1,114,080)		(129,517)
<b>Equity dividends paid</b>			<u>(71,930)</u>		<u>(79,955)</u>
			(487,355)		755,369
<b>Financing</b>	2		<u>495,541</u>		<u>(840,543)</u>
<b>Increase/(decrease) in cash in the period</b>			<u>8,186</u>		<u>(85,174)</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Increase/(decrease) in cash in the period		8,186		(85,174)	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(497,350)</u>		<u>695,546</u>	
Change in net debt resulting from cash flows			<u>(489,164)</u>		<u>610,372</u>
<b>Movement in net debt in the period</b>			(489,164)		610,372
<b>Net debt at 1 April</b>			<u>(1,598,377)</u>		<u>(2,208,749)</u>
<b>Net debt at 31 March</b>			<u>(2,087,541)</u>		<u>(1,598 377)</u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement**  
**for the Year Ended 31 March 2012**

**1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31 3 12	31 3 11
	£	£
Operating profit	692,526	756,759
Depreciation charges	731,157	669,500
(Profit)/loss on disposal of fixed assets	(87,641)	18,664
(Increase)/decrease in stocks	(4,214)	39,309
Increase in debtors	(55,619)	(62,169)
Decrease in creditors	<u>(185,531)</u>	<u>(110,394)</u>
<b>Net cash inflow from operating activities</b>	<b><u>1,090,678</u></b>	<b><u>1,311,669</u></b>

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

	31 3 12	31 3 11
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	3	-
Interest paid	(142,563)	(130,721)
Interest element of hire purchase payments	<u>(5,427)</u>	<u>(5,188)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(147,987)</u></b>	<b><u>(135,909)</u></b>
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	(938,000)	-
Purchase of tangible fixed assets	(501,080)	(129,517)
Sale of tangible fixed assets	100,000	-
Sale of investment property	<u>225,000</u>	<u>-</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<b><u>(1,114,080)</u></b>	<b><u>(129,517)</u></b>
<b>Financing</b>		
New loans in year	910,000	-
Loan repayments in year	(496,508)	(671,421)
Capital repayments in year	83,858	(24,125)
Amount withdrawn by directors	(1,809)	(124,709)
Share issue	-	(80)
Share buyback	<u>-</u>	<u>(20,208)</u>
<b>Net cash inflow/(outflow) from financing</b>	<b><u>495,541</u></b>	<b><u>(840,543)</u></b>

**Notes to the Consolidated Cash Flow Statement**  
**for the Year Ended 31 March 2012**

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 4 11 £	Cash flow £	At 31 3 12 £
Net cash			
Cash at bank and in hand	255,086	32,290	287,376
Bank overdrafts	<u>(509,878)</u>	<u>(24,104)</u>	<u>(533,982)</u>
	<u>(254,792)</u>	<u>8,186</u>	<u>(246,606)</u>
Debt			
Hire purchase	(127,355)	(83,858)	(211,213)
Debts falling due within one year	(460,134)	99,168	(360,966)
Debts falling due after one year	<u>(756,096)</u>	<u>(512,660)</u>	<u>(1,268,756)</u>
	<u>(1,343,585)</u>	<u>(497,350)</u>	<u>(1,840,935)</u>
Total	<u>(1,598,377)</u>	<u>(489,164)</u>	<u>(2,087,541)</u>

Notes to the Consolidated Financial Statements  
for the Year Ended 31 March 2012

1 **ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

**Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statement of the company and its subsidiaries made up to 31 March 2012. Intra-group transactions and profits are eliminated fully on consolidation.

**Basis of preparation**

At the balance sheet date the group is showing net current liabilities. The financial statements have been prepared on a going concern basis. The Directors consider this basis to be appropriate despite the fact that the balance sheet shows net current liabilities at 31 March 2012 the company is generating sufficient cash flows on a weekly basis together with the support of its bank to meet its current liabilities.

Should the company be unable to continue trading, adjustments would have to be made to adjust the value of assets to their recoverable amount, to provide for any further liabilities which might arise.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Goodwill**

The policy of amortisation of purchased goodwill is considered at the time of each acquisition. The costs of purchased goodwill are being written off by equal annual instalments over 10 years or the shorter of the lease term.

Also in the accounts is goodwill on consolidation, being the difference between the fair value of consideration and the fair value of net assets acquired is capitalised. This goodwill is considered to have an indefinite life and therefore is not being amortised. No impairment was considered necessary at the year end.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- 10% on cost and in accordance with the lease term
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

**Investment property**

Investment properties are revalued annually at their open market value in accordance with SSAP 19. The surplus or deficit on revaluation is transferred to a revaluation reserve except where the deficit reduces the property below its historical cost, in which case it is taken to the profit and loss account.

No depreciation is provided on investment properties which is a departure from the requirements of the Companies Act 2006. In the opinion of the directors these properties are held primarily for their investment potential and so their current value is of more significance than any measure of consumption and to depreciate them would not give a true and fair view.

**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**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2012**

**1 ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

**Share-based payment**

The company has applied the requirements of FRS 20 Share-based Payment.

The company issues equity-settled share based payments to certain employees in the form of share options. These are measured at fair value at the date of grant. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by use of the Black Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

**2 STAFF COSTS**

	31 3 12	31 3 11
	£	£
Wages and salaries	4,842,365	4,424,963
Social security costs	377,067	364,768
Other pension costs	86,258	77,064
	<u>5,305,690</u>	<u>4,866,795</u>

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

	31 3 12	31 3 11
Directors	3	2
Senior management	2	2
Administration staff	12	13
Operations managers	504	5
Sales staff	5	483
	<u>526</u>	<u>505</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2012**

**3 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	31 3 12	31 3 11
	£	£
Depreciation - owned assets	334,540	332,367
Depreciation - assets on hire purchase contracts	40,716	37,963
(Profit)/loss on disposal of fixed assets	(87,641)	18,664
Goodwill amortisation	355,901	299,171
Auditors' remuneration	2,750	2,546
Auditors' remuneration other services	<u>8,500</u>	<u>8,500</u>

Directors' remuneration	<u>319,241</u>	<u>221,859</u>
-------------------------	----------------	----------------

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>3</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows

	31 3 12	31 3 11
	£	£
Emoluments etc	<u>134,175</u>	<u>128,671</u>

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	31 3 12	31 3 11
	£	£
Bank interest	8,180	9,326
Bank loan interest	97,116	101,618
Pension loan interest	16,415	19,165
Interest on late paid tax	20,852	612
Hire purchase	<u>5,427</u>	<u>5,188</u>
	<u>147,990</u>	<u>135,909</u>

**5 TAXATION**

**Analysis of the tax charge**

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

	31 3 12	31 3 11
	£	£
Current tax		
UK corporation tax	<u>194,470</u>	<u>256,961</u>
Tax on profit on ordinary activities	<u>194,470</u>	<u>256,961</u>



**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2012**

**5 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

	31 3 12 £	31 3 11 £
Profit on ordinary activities before tax	<u>544,539</u>	<u>620,850</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%)	141,580	173,838
Effects of		
Adjustments to tax charge in respect of previous periods	5,207	-
Expenses not deductible for tax purposes	12,301	28,461
Depreciation in excess of capital allowances	39,642	63,853
Marginal relief	(3,835)	(9,616)
Section 419 tax on overdrawn loan account	<u>(425)</u>	<u>425</u>
Current tax charge	<u>194,470</u>	<u>256,961</u>

**Factors that may affect future tax charges**

Deferred tax is not recognised on fixtures and fittings due to these assets being revalued in 1998. The amount of unprovided deferred tax in respect of this is £134,974 (2011 - £156,063)

**6 PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £225,122 (2011 - £186,609)

**7 DIVIDENDS**

	31 3 12 £	31 3 11 £
Ordinary 'A' shares of £1 each		
Interim	32,850	40,695
Ordinary shares of £1 each		
Interim	<u>39,080</u>	<u>39,260</u>
	<u>71,930</u>	<u>79,955</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2012**

**8 INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Goodwill £</b>
<b>COST</b>	
At 1 April 2011	7,142,741
Additions	938,000
Disposals	<u>(16,000)</u>
At 31 March 2012	<u>8,064,741</u>
<b>AMORTISATION</b>	
At 1 April 2011	2,583,541
Amortisation for year	355,901
Eliminated on disposal	<u>(16,000)</u>
At 31 March 2012	<u>2,923,442</u>
<b>NET BOOK VALUE</b>	
At 31 March 2012	<u>5,141,299</u>
At 31 March 2011	<u>4,559,200</u>

Included in the figures above is £3,230,503 (2011 £3,230,503) goodwill on consolidation and this has not been amortised

**9 TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Short leasehold £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST OR VALUATION</b>				
At 1 April 2011	2,822,787	2,426,318	500	5,249,605
Additions	205,232	295,848	-	501,080
Disposals	<u>(98,336)</u>	<u>(38,563)</u>	<u>-</u>	<u>(136,899)</u>
At 31 March 2012	<u>2,929,683</u>	<u>2,683,603</u>	<u>500</u>	<u>5,613,786</u>
<b>DEPRECIATION</b>				
At 1 April 2011	1,759,990	1,515,868	176	3,276,034
Charge for year	195,061	180,111	84	375,256
Eliminated on disposal	<u>(93,319)</u>	<u>(31,221)</u>	<u>-</u>	<u>(124,540)</u>
At 31 March 2012	<u>1,861,732</u>	<u>1,664,758</u>	<u>260</u>	<u>3,526,750</u>
<b>NET BOOK VALUE</b>				
At 31 March 2012	<u>1,067,951</u>	<u>1,018,845</u>	<u>240</u>	<u>2,087,036</u>
At 31 March 2011	<u>1,062,797</u>	<u>910,450</u>	<u>324</u>	<u>1,973,571</u>

The fixtures and fittings and leases owned by the company were revalued in March 1998 on an open market basis by Mandens, business transfer agents and valuers. Adjustments were made to cost and depreciation as appropriate. The company has taken advantage of the transitional rules in FRS 15 and therefore has not revalued this year.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2012**

**9 TANGIBLE FIXED ASSETS - continued**

**Group**

Cost or valuation at 31 March 2012 is represented by

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 1998	150,855	-	-	150,855
Cost	<u>2,778,828</u>	<u>2,683,603</u>	<u>500</u>	<u>5,462,931</u>
	<u>2,929,683</u>	<u>2,683,603</u>	<u>500</u>	<u>5,613,786</u>

If they had not been revalued they would have been included at the following historical cost

	Short Leasehold £	Fixtures & Fittings £
Cost	<u>2,792,688</u>	<u>2,683,603</u>
Aggregate depreciation	<u>1,640,936</u>	<u>1,672,824</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Fixtures and fittings £
<b>COST OR VALUATION</b>	
At 1 April 2011	348,822
Additions	192,193
Transfer to ownership	<u>(77,294)</u>
At 31 March 2012	<u>463,721</u>
<b>DEPRECIATION</b>	
At 1 April 2011	98,529
Charge for year	40,716
Transfer to ownership	<u>(39,953)</u>
At 31 March 2012	<u>99,292</u>
<b>NET BOOK VALUE</b>	
At 31 March 2012	<u>364,429</u>
At 31 March 2011	<u>250,293</u>

**10 FIXED ASSET INVESTMENTS**

**Company**

Investments (neither listed nor unlisted) were as follows

	31 3 12 £	31 3 11 £
Investment in subsidiary	<u>4,638,600</u>	<u>4,638,600</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2012**

**10 FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the balance sheet date in the share capital of companies include the following

**Subsidiaries**

**Fish 'n' Chick'n Limited**

Nature of business Operates fast food retail shops and restaurants

	%		
Class of shares	holding		
Ordinary	100 00	31 3 12	31 3 11
		£	£
Aggregate capital and reserves		1,215,760	1,090,812
Profit for the year		<u>124,947</u>	<u>177,279</u>

**Bankers Restaurants Limited**

Nature of business Dormant company

	%
Class of shares	holding
Ordinary	100 00

The company is sitting dormant and has no profits or reserves

**11 INVESTMENT PROPERTY**

**Group**

	Total £
<b>COST</b>	
At 1 April 2011	225,000
Disposals	<u>(225,000)</u>
At 31 March 2012	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 March 2012	<u>-</u>
At 31 March 2011	<u>225 000</u>

**12 STOCKS**

	<b>Group</b>	
	31 3 12	31 3 11
	£	£
Stocks	<u>170,850</u>	<u>166,636</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2012**

**13 DEBTORS**

	<b>Group</b>		<b>Company</b>	
	31 3 12	31 3 11	31 3 12	31 3 11
	£	£	£	£
Amounts falling due within one year				
Trade debtors	11,490	6,261	3,239	-
Amounts owed by group undertakings	-	-	277,864	127,760
Other debtors	82,160	18,845	73,169	8,800
Amounts due from related party	81,848	74,785	-	-
Directors' current accounts	1,700	1,700	1,700	1,700
Prepayments and accrued income	<u>152,561</u>	<u>172,024</u>	<u>3,793</u>	<u>913</u>
	<u>329,759</u>	<u>273,615</u>	<u>359,765</u>	<u>139,173</u>
Amounts falling due after more than one year				
Prepayments	<u>656</u>	<u>1,181</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>330,415</u>	<u>274,796</u>	<u>359,765</u>	<u>139,173</u>

**14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31 3 12	31 3 11	31 3 12	31 3 11
	£	£	£	£
Bank loans and overdrafts (see note 16)	894,948	970,012	16,551	143,465
Hire purchase contracts (see note 17)	96,575	76,375	-	-
Trade creditors	945,536	994,594	-	-
Loan notes	110,001	110,001	110,001	110,001
Tax	207,395	256,961	96,522	61,110
Other creditors	3,009	5,096	3,009	5,096
Sundry creditors	64,604	63,158	-	-
Due to subsidiary undertaking	-	-	880,313	611,688
Social security and other taxes	628,409	676,850	105,414	101,505
Directors' current accounts	1,482	3,291	1,482	3,291
Accrued expenses	<u>91,647</u>	<u>69,031</u>	<u>2,860</u>	<u>2,589</u>
	<u>3,043,606</u>	<u>3,225,369</u>	<u>1,216,152</u>	<u>1,038,745</u>

**15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31 3 12	31 3 11	31 3 12	31 3 11
	£	£	£	£
Bank loans (see note 16)	1,268,756	756,096	-	-
Hire purchase contracts (see note 17)	114,638	50,980	-	-
Loan notes	<u>491,601</u>	<u>601,608</u>	<u>491,601</u>	<u>601,608</u>
	<u>1,874,995</u>	<u>1,408,684</u>	<u>491,601</u>	<u>601,608</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2012**

**15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued**

The loan notes are unsecured qualifying corporate bonds Included in the balance of £491,601 is £51,598 that is repayable after more than five years If the repayment terms are breached then the full amount becomes repayable in less than one year

**16 LOANS**

An analysis of the maturity of loans is given below

	<b>Group</b>		<b>Company</b>	
	31 3 12	31 3 11	31 3 12	31 3 11
	£	£	£	£
Amounts falling due within one year or on demand				
Bank overdrafts	533,982	509,878	16,551	10,894
Bank loans	<u>360,966</u>	<u>460,134</u>	<u>-</u>	<u>132,571</u>
	<u>894,948</u>	<u>970,012</u>	<u>16,551</u>	<u>143,465</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	<u>1,045,125</u>	<u>742,572</u>	<u>-</u>	<u>-</u>
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>223,631</u>	<u>13,524</u>	<u>-</u>	<u>-</u>

**17 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

**Group**

	<b>Hire purchase contracts</b>	
	31 3 12	31 3 11
	£	£
Gross obligations repayable		
Within one year	103,650	84,644
Between one and five years	<u>121,752</u>	<u>56,131</u>
	<u>225,402</u>	<u>140,775</u>
Finance charges repayable		
Within one year	7,075	8,269
Between one and five years	<u>7,114</u>	<u>5,151</u>
	<u>14,189</u>	<u>13,420</u>
Net obligations repayable		
Within one year	96,575	76,375
Between one and five years	<u>114,638</u>	<u>50,980</u>
	<u>211,213</u>	<u>127,355</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2012**

**18 SECURED DEBTS**

The following secured debts are included within creditors

	<b>Group</b>		<b>Company</b>	
	31 3 12	31 3 11	31 3 12	31 3 11
	£	£	£	£
Bank overdraft	533,982	509,878	16,551	10,894
Bank loans	<u>1,629,722</u>	<u>1,216,230</u>	<u>-</u>	<u>132,571</u>
	<u>2,163,704</u>	<u>1,726,108</u>	<u>16,551</u>	<u>143,465</u>

There is an unsecured mortgage debenture dated 3 March 2008 incorporating a fixed and floating charge over all current and future assets of the holding company

In the subsidiary the bank loans and overdraft are secured by equitable charges over the company's leases together with a mortgage debenture dated 3 March 2008. The freehold property and that Fish 'n' Chick'n Ware trades from is also subject to the equitable charges

There is also a Unlimited Multilateral Guarantee dated 21 February 2008, between Fish 'n' Chick'n Limited and The Chesterford Group Limited

**19 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid		Nominal value	31 3 12	31 3 11
Number	Class		£	£
10,685	Ordinary 'A'	£1	10,685	10,685
7,654	Ordinary	£1	<u>7,654</u>	<u>7,654</u>
			<u>18,339</u>	<u>18,339</u>

Both classes of shares rank pari-passu in all respect

**20 RESERVES**

<b>Group</b>	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 April 2011	1,164,798	1,532,426	104,673	2,801,897
Profit for the year	350,069			350,069
Dividends	(71,930)			(71,930)
Transfer from revaluation reserve	<u>72,648</u>	<u>-</u>	<u>(72,648)</u>	<u>-</u>
At 31 March 2012	<u>1,515,585</u>	<u>1,532,426</u>	<u>32,025</u>	<u>3,080,036</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2012**

**20 RESERVES - continued**

**Company**

	Profit and loss account £	Share premium £	Totals £
At 1 April 2011	1,586,655	1,532,426	3,119,081
Profit for the year	225,122		225,122
Dividends	(71,930)		(71,930)
At 31 March 2012	<u>1,739,847</u>	<u>1,532,426</u>	<u>3,272,273</u>

**21 TRANSACTIONS WITH DIRECTORS**

The following loan to directors subsisted during the years ended 31 March 2012 and 31 March 2011

	31 3 12 £	31 3 11 £
<b>J S Lipscombe</b>		
Balance outstanding at start of year	1,700	1,700
Amounts repaid	-	-
Balance outstanding at end of year	<u>1,700</u>	<u>1,700</u>

**22 RELATED PARTY DISCLOSURES**

During the year there were total transactions of £163,494 (2011 £141,125) with Fish 'n' Chick'n (Ware) Limited, a company controlled by a direct relative of H Lipscombe. This included wages invoiced to Fish 'n' Chick'n (Ware) Limited amounting to £77,393 (2011 £74,875). At the end of the year the company was owed £84,845 (2011 £63,980).

At the year end a balance amounting to £241 (2011 £4,671) was due from Churchill's Franchising Limited, a company controlled by the directors of Fish 'n' Chick'n Limited, in relation to £241 expenses paid on the company's behalf.

During the year, the investment property held was transferred to the Fish 'n' Chick'n Directors' Retirement Scheme at a net book value of £225,000.

At the balance sheet date P Lipscombe, the son of H Lipscombe, owed the company £50,000 by way of a loan. There is no interest accruing on this and no due date for repayment.

During the year dividends were paid to the directors as follows:

Mr H R Lipscombe £32,287 (2011 £40,000)  
 Mr J S Lipscombe £10,000 (2011 £10,000)  
 Mr P J Goodgame £563 (2011 £695)



**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2012**

**23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

<b>Group</b>	<b>31 3 12</b>	<b>31 3 11</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	350,069	363,889
Dividends	(71,930)	(79,955)
	278,139	283,934
Other recognised gains and losses relating to the year (net)	-	28,000
Share premium account	-	(20,208)
Share buy back	-	(80)
<b>Net addition to shareholders' funds</b>	<b>278,139</b>	<b>291,646</b>
Opening shareholders' funds	2,820,236	2,528,590
<b>Closing shareholders' funds</b>	<b>3,098,375</b>	<b>2,820,236</b>
 <b>Company</b>	 <b>31 3 12</b>	 <b>31 3 11</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	225,122	186,609
Dividends	(71,930)	(79,955)
	153,192	106,654
Share premium account	-	(20,208)
Share buy back	-	(80)
<b>Net addition to shareholders' funds</b>	<b>153,192</b>	<b>86,366</b>
Opening shareholders' funds	3,137,420	3,051,054
<b>Closing shareholders' funds</b>	<b>3,290,612</b>	<b>3,137,420</b>

**24 CONTROL**

The company is under the control of Mr H Lipscombe, a director of the company

**25 ENTERPRISE MANAGEMENT INCENTIVE SCHEME**

On 15 April 2005 the company approved the Chesterford Group Limited Enterprise Management Incentive Scheme. On 25 June 2005 the company granted share options over a total of 366 ordinary shares to 2 employees. The options can be exercised at a price of £20 per share and the right to option expires on 24 June 2015. The Option Holder may exercise the option in part providing they are still employed by the company. During the year no options were exercised (2011: £nil).

**26 PENSION COMMITMENTS**

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £93,858 (2011: £77,064). There were no outstanding contributions at the year end (2011: NIL).