

Company Registration No. 06743827 (England and Wales)

**2 - 4 BOUNDARY STREET LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**



## 2 - 4 BOUNDARY STREET LIMITED

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## **2 - 4 BOUNDARY STREET LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 30 JUNE 2012**

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The directors present their report and financial statements for the year ended 30 June 2012

#### **Principal activities and review of the business**

The principal activities of the company continued to be that of the operation of restaurants and a hotel

2-4 Boundary Street Ltd continues to trade as 'Boundary Restaurant, Rooms & Rooftop' and 'Albion' which encompasses three restaurants and bars, 12 individually designed guest bedrooms, plus five suites, a small British food store, and a bakery

Trading conditions remained difficult throughout the financial year as a result of continued frugality in personal and corporate spend which has had a detrimental impact on Boundary Restaurant. The London Riots in August 2011 and additional public holidays in June 2012 also had a negative impact on the business in their respective summer periods. In spite of this Albion and the Hotel show revenue growth on the prior year of 1% and 6% respectively

Despite a decline in overall revenues, conversion ratios improved on prior year and EBITDA remained relatively strong

Poor weather hindered the ability to trade on the Rooftop for much of the year. However, from spring 2013, an area on the rooftop will be weatherproofed, allowing part of the space to remain open all year and also enhance the ability to maximise revenues when the weather is good

The Hotel retained a strong occupancy rate of 83.7% and GOP increased 5% on prior year

The directors are confident about Boundary's future, the management team continue to improve the overall product and customer feedback is generally excellent. The food, drink and service standards are going from strength-to-strength, a result of which has seen Boundary Restaurant win awards for its wine list and the food has started to receive the acclaim it deserves

The board of directors see the current rent review at 2-4 Boundary Street as a potential serious threat to profitability and the increasing competition in the area remains an on-going concern

#### **Results and dividends**

The results for the year are set out on page 4

#### **Directors**

The following directors have held office since 1 July 2011

Sir Terence Conran  
Lady Conran  
Peter Prescott

#### **Auditors**

The auditors, Westbury, are deemed to be reappointed under section 487(2) of the Companies Act 2006

## 2 - 4 BOUNDARY STREET LIMITED

### DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

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#### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

#### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Peter Prescott

Director  
26 3 13

## **2 - 4 BOUNDARY STREET LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO 2 - 4 BOUNDARY STREET LIMITED**

#### **UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of 2 - 4 Boundary Street Limited for the year ended 30 June 2012 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

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

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### **Opinion**

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



**Nicola Pearson (Senior Statutory Auditor)**  
for and on behalf of Westbury

26 3 13

**Chartered Accountants**  
**Statutory Auditor**

145-157 St John Street  
London  
EC1V 4PY

## 2 - 4 BOUNDARY STREET LIMITED

### ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2012

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	Notes	2012 £	2011 £
Turnover		5,525,868	6,035,781
Other operating income less cost of sales		(1,241,022)	(1,400,298)
Administrative expenses		(4,163,161)	(4,336,531)
<b>Operating profit</b>	<b>2</b>	<b>121,685</b>	<b>298,952</b>
Other interest receivable and similar income		7,547	2,530
Interest payable and similar charges	<b>4</b>	(283,500)	(262,996)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(154,268)</b>	<b>38,486</b>
Tax on (loss)/profit on ordinary activities	<b>5</b>	-	-
<b>(Loss)/profit for the year</b>	<b>14</b>	<b>(154,268)</b>	<b>38,486</b>

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The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

## 2 - 4 BOUNDARY STREET LIMITED

### ABBREVIATED BALANCE SHEET

AS AT 30 JUNE 2012

	Notes	2012		2011	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	6		13,806		15,777
Tangible assets	7		9,236,139		9,714,534
			<u>9,249,945</u>		<u>9,730,311</u>
<b>Current assets</b>					
Stocks	8	331,420		334,675	
Debtors	9	1,738,284		1,588,828	
Cash at bank and in hand		1,006,538		1,747,929	
		<u>3,076,242</u>		<u>3,671,432</u>	
<b>Creditors amounts falling due within one year</b>	10	<u>(1,733,460)</u>		<u>(2,221,415)</u>	
<b>Net current assets</b>			<u>1,342,782</u>		<u>1,450,017</u>
<b>Total assets less current liabilities</b>			10,592,727		11,180,328
<b>Creditors: amounts falling due after more than one year</b>	11		(10,841,667)		(11,275,000)
			<u>(248,940)</u>		<u>(94,672)</u>
<b>Capital and reserves</b>					
Called up share capital	13		1		1
Profit and loss account	14		(248,941)		(94,673)
<b>Shareholders' funds</b>	15		<u>(248,940)</u>		<u>(94,672)</u>

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies

Approved by the Board and authorised for issue on 26.3.13

  
Peter Prescott  
Director

Company Registration No. 06743827

## 2 - 4 BOUNDARY STREET LIMITED

### CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	£	2012 £	£	2011 £
<b>Net cash (outflow)/inflow from operating activities</b>	20		(88,533)		1,835,469
<b>Returns on investments and servicing of finance</b>					
Interest received		7,547		2,530	
Interest paid		<u>(283,500)</u>		<u>(262,996)</u>	
<b>Net cash outflow for returns on investments and servicing of finance</b>			(275,953)		(260,466)
<b>Capital expenditure</b>					
Payments to acquire intangible assets		-		(2,097)	
Payments to acquire tangible assets		<u>(25,521)</u>		<u>(591,826)</u>	
<b>Net cash outflow for capital expenditure</b>			(25,521)		(593,923)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>			(390,007)		981,080
<b>Financing</b>					
Other new short term loans		108,333		-	
Repayment of long term bank loan		<u>(433,333)</u>		<u>(325,000)</u>	
Repayment of other short term loans		-		325,000	
<b>Net cash outflow from financing</b>			(325,000)		-
<b>(Decrease)/increase in cash in the year</b>	21, 22		<u>(715,007)</u>		<u>981,080</u>



## 2 - 4 BOUNDARY STREET LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS

#### FOR THE YEAR ENDED 30 JUNE 2012

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#### 1 Accounting policies

##### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

##### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

##### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

##### 1.4 Patents

Patents are valued at cost, less accumulated amortisation. Amortisation is calculated to write-off the cost in equal annual instalments over their estimated useful lives of ten years

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less depreciation. Depreciation is provided at rates calculated to write-off the cost, less the estimated residual value of each asset, over its expected useful life, as follows

Land and buildings Leasehold	Over 44 years
Plant and machinery	Over 7 years
Computer equipment	Over 3 years
Fixtures, fittings & equipment	Over 7 years
Artwork	No depreciation

Artwork - The directors do not consider it appropriate to depreciate artwork on the basis that it is not decreasing in value. This represents a departure from the Companies Act 2006, but the directors consider that the adoption of this policy is necessary to give a true and fair view

##### 1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

##### 1.7 Stock

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

##### 1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

## 2 - 4 BOUNDARY STREET LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2012

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<b>2</b>	<b>Operating profit</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging		
	Amortisation of intangible assets	1,971	1,819
	Depreciation of tangible assets	503,916	514,189
	Operating lease rentals	245,829	239,250
	Auditors' remuneration (including expenses and benefits in kind)	8,614	9,000
		<u>          </u>	<u>          </u>

<b>3</b>	<b>Investment income</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Bank interest	7,547	2,530
		<u>          </u>	<u>          </u>
		7,547	2,530
		<u>          </u>	<u>          </u>

<b>4</b>	<b>Interest payable</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	60,175	59,662
	On loans repayable after five years	223,325	203,334
		<u>          </u>	<u>          </u>
		283,500	262,996
		<u>          </u>	<u>          </u>

## 2 - 4 BOUNDARY STREET LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

5	Taxation	2012	2011
	Total current tax	-	-
		<u>          </u>	<u>          </u>
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	(154,268)	38,486
		<u>          </u>	<u>          </u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%)	(37,024)	10,006
		<u>          </u>	<u>          </u>
	Effects of		
	Non deductible expenses	-	127
	Depreciation add back	505,885	516,008
	Capital allowances	(420,645)	(545,573)
	Other tax adjustments	(48,216)	19,432
		<u>          </u>	<u>          </u>
		37,024	(10,006)
		<u>          </u>	<u>          </u>
	<b>Current tax charge for the year</b>	-	-
		<u>          </u>	<u>          </u>

On the basis of these financial statements, no provision has been made for corporation tax

6	Intangible fixed assets	Patents £
	<b>Cost</b>	
	At 1 July 2011 & at 30 June 2012	19,336
		<u>          </u>
	<b>Amortisation</b>	
	At 1 July 2011	3,559
	Charge for the year	1,971
		<u>          </u>
	At 30 June 2012	5,530
		<u>          </u>
	<b>Net book value</b>	
	At 30 June 2012	13,806
		<u>          </u>
	At 30 June 2011	15,777
		<u>          </u>

## 2 - 4 BOUNDARY STREET LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2012

7 Tangible fixed assets	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Artwork £	Total £
<b>Cost</b>					
At 1 July 2011	8,822,764	596,521	1,237,863	76,640	10,733,788
Additions	19,743	2,972	1,040	1,767	25,522
At 30 June 2012	<u>8,842,507</u>	<u>599,493</u>	<u>1,238,903</u>	<u>78,407</u>	<u>10,759,310</u>
<b>Depreciation</b>					
At 1 July 2011	376,157	279,312	363,786	-	1,019,255
Charge for the year	197,289	121,779	184,848	-	503,916
At 30 June 2012	<u>573,446</u>	<u>401,091</u>	<u>548,634</u>	-	<u>1,523,171</u>
<b>Net book value</b>					
At 30 June 2012	<u>8,269,061</u>	<u>198,402</u>	<u>690,269</u>	<u>78,407</u>	<u>9,236,139</u>
At 30 June 2011	<u>8,446,607</u>	<u>317,210</u>	<u>874,077</u>	<u>76,640</u>	<u>9,714,534</u>

8 Stocks	2012 £	2011 £
Finished goods and goods for resale	<u>331,420</u>	<u>334,675</u>

9 Debtors	2012 £	2011 £
Trade debtors	146,118	116,726
Amounts owed by parent and fellow subsidiary undertakings	1,010,145	958,858
Other debtors	124,969	30,399
Prepayments and accrued income	120,318	146,111
Deferred tax asset (see note 12)	336,734	336,734
	<u>1,738,284</u>	<u>1,588,828</u>

## 2 - 4 BOUNDARY STREET LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2012

10 Creditors: amounts falling due within one year	2012 £	2011 £
Bank loans and overdrafts	646,344	564,395
Trade creditors	402,731	285,455
Taxes and social security costs	217,548	320,900
Other creditors	(7,284)	28,413
Accruals and deferred income	474,121	1,022,252
	<u>1,733,460</u>	<u>2,221,415</u>
11 Creditors amounts falling due after more than one year	2012 £	2011 £
Bank loans	1,841,667	2,275,000
Other creditors	9,000,000	9,000,000
	<u>10,841,667</u>	<u>11,275,000</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years	11,275,000	11,600,000
Included in current liabilities	(433,333)	(325,000)
	<u>10,841,667</u>	<u>11,275,000</u>

Included in Other creditors due after more than one year is a loan which is secured by way of a fixed and floating charge over all of the company's assets in favour of Sir Terence Conran (40% shareholder at the balance sheet date) in accordance with the terms of a Joint Venture Agreement

The bank loan is secured by a first legal charge over the lease of 2-4 Boundary Street , London, E2 7DD an unlimited debenture dated 23 March 2008, charging all of the company's assets and undertakings, and a personal guarantee for £2,600,000, from Sir Terence Conran, a director of the company

The long-term funding is by way of a loan from the director. The director is not seeking repayment of the loan in the foreseeable future and, consequently, the directors consider it appropriate to prepare these accounts on a going concern basis

## 2 - 4 BOUNDARY STREET LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2012

#### 12 Provisions for liabilities

The deferred tax asset (included in debtors, note 9) is made up as follows.

	2012 £	
Balance at 1 July 2011 & at 30 June 2012	(336,734)	
	2012 £	2011 £
Decelerated capital allowances	(227,309)	(227,309)
Tax losses available	(109,425)	(109,425)
	<u>(336,734)</u>	<u>(336,734)</u>

#### 13 Share capital

	2012 £	2011 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

#### 14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2011	(94,673)
Loss for the year	(154,268)
	<u>(248,941)</u>
Balance at 30 June 2012	<u>(248,941)</u>

## 2 - 4 BOUNDARY STREET LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2012

15 Reconciliation of movements in shareholders' funds	2012	2011
	£	£
(Loss)/Profit for the financial year	(154,268)	38,486
Opening shareholders' funds	(94,672)	(133,158)
Closing shareholders' funds	<u>(248,940)</u>	<u>(94,672)</u>

#### 16 Financial commitments

At 30 June 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2013

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire In over five years	<u>240,000</u>	<u>230,000</u>

17 Directors' remuneration	2012	2011
	£	£
Remuneration for qualifying services	<u>112,500</u>	<u>104,688</u>

#### 18 Employees

##### Number of employees

The average monthly number of employees (including directors) during the year was

2012	2011
Number	Number
<u>119</u>	<u>119</u>

##### Employment costs

	2012	2011
	£	£
Wages and salaries	2,119,168	2,132,838
Social security costs	117,915	135,069
	<u>2,237,083</u>	<u>2,267,907</u>

## 2 - 4 BOUNDARY STREET LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

#### 19 Ultimate parent company

The ultimate parent company is Prescott and Conran Limited, a company registered in England

Prescott and Conran Limited prepares group financial statements and copies can be obtained from 2-4 Boundary Street, London, E2 7DD

20 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2012	2011
	£	£
Operating profit	121,685	298,952
Depreciation of tangible assets	503,916	514,189
Amortisation of intangible assets	1,971	1,819
Decrease/(increase) in stocks	3,255	(57,582)
(Increase)/decrease in debtors	(149,456)	1,150,455
Decrease in creditors within one year	(569,904)	(72,364)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(88,533)</b>	<b>1,835,469</b>

21 Analysis of net debt	1 July 2011	Cash flow	Other non-cash changes	30 June 2012
	£	£	£	£
Net cash				
Cash at bank and in hand	1,747,929	(741,391)	-	1,006,538
Bank overdrafts	(239,395)	26,384	-	(213,011)
	<u>1,508,534</u>	<u>(715,007)</u>	<u>-</u>	<u>793,527</u>
Debt				
Debts falling due within one year	(325,000)	(108,333)	-	(433,333)
Debts falling due after one year	(11,275,000)	433,333	-	(10,841,667)
	<u>(11,600,000)</u>	<u>325,000</u>	<u>-</u>	<u>(11,275,000)</u>
<b>Net debt</b>	<b>(10,091,466)</b>	<b>(390,007)</b>	<b>-</b>	<b>(10,481,473)</b>



## 2 - 4 BOUNDARY STREET LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

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22 Reconciliation of net cash flow to movement in net debt	2012	2011
	£	£
(Decrease)/increase in cash in the year	(715,007)	981,080
Cash outflow from decrease in debt	325,000	-
	<hr/>	<hr/>
<b>Movement in net debt in the year</b>	<b>(390,007)</b>	<b>981,080</b>
Opening net debt	(10,091,466)	(11,072,546)
	<hr/>	<hr/>
<b>Closing net debt</b>	<b>(10,481,473)</b>	<b>(10,091,466)</b>
	<hr/> <hr/>	<hr/> <hr/>

### 23 Related party relationships and transactions

2-4 Boundary Street Limited made payments in respect of goods and services received to the following companies, of which Sir Terence Conran and Lady Conran are also directors

Benchmark Woodworking Limited £17,200 (2011 £6,060)

The Conran Shop Limited £3,130 (2011 £6,847)

Conran Ink Limited £21,371 (2011 £15,173)

Conran and Partners Limited £18,861 (2011 £4,090)

The company has also been charged management fees of £37,500 by Conran Ink Limited in which Sir Terence Conran owns 100% of the shares

The company has been charged £40,502 by 85 Fleet Street Limited, a fellow subsidiary undertaking of Prescott and Conran Limited, in respect of wages and other expenses

The related-party transactions were at normal commercial rates