

# Richoux Group plc

Final results for the 53 weeks ended 30 December 2012

Richoux Group plc, the owner and operator of 14 restaurants under the Richoux, Zippers, Dean's Diner and Villagio brands, today announces its final results for the year ended 30 December 2012.

	53 weeks ended 30 December 2012 £m	52 weeks ended 25 December 2011 £m
Turnover from continuing operations	9.85	9.01
Gross profit from continuing operations	1.48	0.25
Operating profit/(loss) on continuing operations before impairment	0.86	(0.26)
Profit/(loss) attributable to shareholders	0.88	(2.71)

## Key points:

- Group makes a net profit of £0.88 million.
- EBITDA of £1.36 million.
- Turnover increased 9.4% year on year.
- Currently fourteen restaurants trading.
- Target of five new restaurants to be opened in 2013.
- Cash of £4.06 million at year end.

**Philip Shotter**, Chairman of Richoux Group plc said:

*"I am pleased to report the restructuring of the Group's property portfolio has now been completed and we now present financial results which represent the profitability of our existing restaurant estate. With a strong balance sheet in place, the Group is well placed to enter a growth phase with a number of new openings across all of our Villagio, Dean's Diner and Zippers brands planned in 2013."*

26 April 2013

## Enquiries:

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## **Results**

Group turnover from continuing operations for the 53 week period ended 30 December 2012 increased to £9.85 million (*2011: £9.01 million*). Gross profit from continuing operations increased to £1.48 million (*2011: £0.25 million*). There was an increase in the total Group restaurants' gross profit before pre-opening costs percentage from 4.5 per cent to 15.5 per cent during the year. Administrative expenses for continuing operations (before impairment and profit on sale of assets held for sale) of £0.74 million (*2011: £0.51 million*) were in line with expectations.

In October 2012 the Group raised £2.00 million (£1.95 million net of expenses) through a successful subscription of new shares at 8 pence per share to fund the growth of the Group.

The Directors are not recommending the payment of a dividend.

## **Operations**

The Group currently has fourteen restaurants which operate under the Richoux, Villagio, Dean's Diner and Zippers brands. Further details on each of the brands are set out below.

### ***Richoux***

Richoux restaurants, which has been trading since 1909, operate in prestigious areas of central London and offer breakfast, lunch, afternoon tea and dinner.

The Group currently has four Richoux restaurants. These restaurants continue to trade in line with expectations.

### ***Villagio***

Villagio is a modern local Italian family restaurant.

The Group now has six Villagio restaurants- the existing restaurants in Andover, Hammersmith, and Berkhamsted, the rebranded restaurant in Basildon, and new restaurants in Chislehurst, which opened in December 2012 and Chiswick, which opened in March 2013.

These restaurants continue to trade in line with expectations.

### ***Dean's Diner***

Dean's Diner is a 1950's classic American Diner.

The Group currently has three Dean's Diner restaurants in Chatham, Port Solent and Braintree following the rebranding, during the period of the Dean's Diner restaurant in Basildon as a Villagio restaurant. These restaurants continue to trade in line with expectations. A new Dean's Diner restaurant is due to open in May 2013 at Whiteley Village in Fareham.

### ***Zippers***

Zippers is a contemporary family restaurant with an extensive range of dishes to suit all tastes.

The Group has one Zippers site in Chatham which continues to trade in line with expectations.

**Capital expenditure and cash flow**

As at the end of the period under review the Group held cash of £4.06 million (*2011: £1.04 million*).

During the period the Group disposed of its underperforming restaurants in Barnet, High Wycombe, Slough and Basingstoke along with its freehold Central Kitchen property which gave rise to proceeds (after costs) of £0.92 million.

Capital expenditure of £0.88 million was incurred in the period predominantly on the fit out of the new Villagio restaurant in Chislehurst and the rebranded restaurant in Basildon.

**Outlook**

The restructuring of the Group's property portfolio has now been completed and we are now able to present financial results which represent the profitability of our existing restaurant estate. With a strong balance sheet in place, the Group is well placed to enter a growth phase with new openings across all of our Villagio, Dean's Diner and Zippers brands planned in 2013.

Philip Shotter  
Chairman  
26 April 2013

**Richoux Group plc**  
**Consolidated statement of comprehensive income**

for the 53 week period ended 30 December 2012

	<i>Notes</i>	<b>53 week period ended 30 December 2012 £000</b>	52 week period ended 25 December 2011 £000
<b>Revenue</b>		<b>9,853</b>	9,009
<b>Cost of sales:</b>			
Excluding pre-opening costs		<b>(8,324)</b>	(8,607)
Pre-opening costs		<b>(45)</b>	(148)
<b>Total cost of sales</b>		<b>(8,369)</b>	(8,755)
<b>Gross profit</b>		<b>1,484</b>	254
Administrative expenses		<b>(738)</b>	(513)
Net profit on sale of assets held for sale		<b>109</b>	-
Other operating income		-	3
Operating profit/(loss) before impairment and onerous lease provision		<b>855</b>	(256)
Impairment of property, plant and equipment	7	-	(2,444)
Impairment of other intangible assets	6	-	(26)
<b>Operating profit/(loss)</b>		<b>855</b>	(2,726)
Finance income		<b>24</b>	16
<b>Profit/(loss) before taxation</b>	3	<b>879</b>	(2,710)
Taxation		-	-
<b>Profit/(loss) and total comprehensive profit/(loss) for the period</b>		<b>879</b>	(2,710)
<b>Profit/(loss) and total comprehensive profit/(loss) attributable to equity holders of the parent</b>		<b>879</b>	(2,710)
<b>Profit/(loss) and total comprehensive profit/(loss) per share:</b>			
Profit/(loss) per share	4	<b>1.2p</b>	(4.0)p
Diluted profit/(loss) per share	4	<b>1.2p</b>	(4.0)p

**Richoux Group plc**  
**Consolidated statement of changes in equity**

For the 53 week period ended 30 December 2012

	<b>Share capital</b> £000	<b>Share premium account</b> £000	<b>Profit and loss account</b> £000	<b>Total</b> £000
At 26 December 2010	2,681	11,295	(6,966)	7,010
Loss for the period	-	-	(2,710)	(2,710)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss	-	-	(2,710)	(2,710)
	<hr/>	<hr/>	<hr/>	<hr/>
Credit to equity for equity settled share based payments	-	-	14	14
	<hr/>	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners of the Company, recognised directly in equity	-	-	14	14
	<hr/>	<hr/>	<hr/>	<hr/>
At 25 December 2011	2,681	11,295	(9,662)	4,314
Profit for the period	-	-	879	879
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive profit	-	-	879	879
	<hr/>	<hr/>	<hr/>	<hr/>
Credit to equity for equity settled share based payments	-	-	72	72
New share capital subscribed	1,000	1,000	-	2,000
New share capital issue costs	-	(53)	-	(53)
	<hr/>	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners of the Company, recognised directly in equity	1,000	947	72	2,019
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 December 2012</b>	<b>3,681</b>	<b>12,242</b>	<b>(8,711)</b>	<b>7,212</b>
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**Richoux Group plc**  
**Consolidated statement of financial position**

at 30 December 2012

	<i>Notes</i>	<b>30 December 2012 £000</b>	25 December 2011 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	<i>6</i>	<b>234</b>	234
Other intangible assets	<i>6</i>	<b>61</b>	71
Property, plant and equipment	<i>7</i>	<b>4,204</b>	3,815
Trade and other receivables		<b>41</b>	124
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>4,540</b>	4,244
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories		<b>156</b>	178
Trade and other receivables		<b>441</b>	459
Cash held on deposit		<b>2,500</b>	-
Cash and cash equivalents		<b>1,559</b>	1,039
		<hr/>	<hr/>
<b>Total current assets</b>		<b>4,656</b>	1,676
		<hr/>	<hr/>
Assets held for sale		-	787
		<hr/>	<hr/>
<b>Total assets</b>		<b>9,196</b>	6,707
		<hr/>	<hr/>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		<b>(1,845)</b>	(2,203)
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>(1,845)</b>	(2,203)
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Trade and other payables		<b>(139)</b>	(180)
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>(139)</b>	(180)
		<hr/>	<hr/>
Liabilities associated with assets held for sale		-	(10)
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>(1,984)</b>	(2,393)
		<hr/>	<hr/>
<b>Net assets</b>		<b>7,212</b>	4,314
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Share capital		<b>3,681</b>	2,681
Share premium account		<b>12,242</b>	11,295
Retained earnings		<b>(8,711)</b>	(9,662)
		<hr/>	<hr/>
<b>Total equity</b>		<b>7,212</b>	4,314
		<hr/>	<hr/>

**Richoux Group plc**  
**Consolidated statement of cash flows**

for the 53 week period ended 30 December 2012

	<i>Notes</i>	<b>53 week period ended 30 December 2012 £000</b>	52 week period ended 25 December 2011 £000
<b>Operating activities</b>			
Cash generated from operations	<i>8</i>	<b>827</b>	931
		<hr/>	<hr/>
<b>Net cash from operating activities</b>		<b>827</b>	931
<b>Investing activities</b>			
Purchase of property, plant and equipment		<b>(688)</b>	(3,475)
Purchase of intangible fixed assets		<b>(10)</b>	(35)
Cash held on deposit		<b>(2,500)</b>	-
Net proceeds/(costs) from sale of property, plant and equipment		<b>24</b>	(4)
Net proceeds from sale of assets held for sale		<b>896</b>	-
Interest received		<b>24</b>	16
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		<b>(2,254)</b>	(3,498)
<b>Financing activities</b>			
Proceeds from issue of ordinary shares		<b>2,000</b>	-
Share issue costs		<b>(53)</b>	-
		<hr/>	<hr/>
<b>Net cash from financing activities</b>		<b>1,947</b>	-
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>520</b>	(2,567)
Cash and cash equivalents at the beginning of the period		<b>1,039</b>	3,606
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>		<b>1,559</b>	1,039
		<hr/> <hr/>	<hr/> <hr/>

## Notes

- The consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union. The financial statements have been prepared on the historical cost basis.
- The financial information set out above does not constitute the Company’s statutory accounts for the periods ended 25 December 2011 or 30 December 2012 but it is derived from those accounts. Statutory accounts for 25 December 2011 have been delivered to the Registrar of Companies and those for 30 December 2012 will be delivered following the Company’s Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006.
- Business segments**

Based on the financial information which is monitored by the board, which comprises the chief operating decision maker as defined in IFRS 8, the Group has three reportable business segments based around its core restaurant brands, Richoux, Villagio, Zippers and Dean’s Diner. The Zippers and Villagio brands are reported together and the rebranded restaurant in Basildon has been included under the Villagio brand for the whole period. All brands are engaged in the restaurant trade so derive their revenues from similar products and services. There are no geographical segments and there are no major customers.

### For the 53 week period ended 30 December 2012

	<b>Richoux</b>	<b>Villagio/ Zippers</b>	<b>Dean’s Diner</b>	<b>Un- allocated</b>	<b>Total</b>
	£000	£000	£000	£000	£000
Revenue	4,701	3,095	2,057	-	<b>9,853</b>
Segment profit/(loss)	934	262	353	(65)	<b>1,484</b>
Administrative expenses	-	-	-	(738)	<b>(738)</b>
Net profit on disposal of assets held for sale	-	-	-	109	<b>109</b>
Finance income	-	-	-	24	<b>24</b>
Profit/(loss) before taxation	934	262	353	(670)	<b>879</b>
Non current assets as at 25 December 2011	1,217	1,568	1,344	115	<b>4,244</b>
Additions	47	803	31	2	<b>883</b>
Depreciation and amortisation	(179)	(176)	(125)	(22)	<b>(502)</b>
Disposals	-	(52)	(16)	(17)	<b>(85)</b>
Non current assets as at 30 December 2012	1,085	2,143	1,234	78	<b>4,540</b>

The unallocated segment loss includes the costs of the restaurant area management; unallocated administrative expenses include the costs of the Group’s head office.



4. Profit/(loss) per share

The calculation of the basic and diluted profit/(loss) per share is based on the following data:

	<b>30 December 2012 £000</b>	25 December 2011 £000
<b>Profit/(loss)</b>		
Profit/(loss) for the purposes of basic profit/(loss) per share being the net profit/(loss) attributable to equity holders of the parent	879	(2,710)
	<u>                    </u>	<u>                    </u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of the basic profit/(loss) per share	72,545,218	67,019,612
Effect of dilutive potential ordinary shares:		
Share options and warrants	-	206,502
	<u>                    </u>	<u>                    </u>
Weighted average number of ordinary shares for the purposes of diluted profit/(loss) per share	72,545,218	67,226,114
	<u>                    </u>	<u>                    </u>
Share options and warrants not included in the diluted calculations as per the requirements of IAS 33 (as they are anti-dilutive)	4,259,465	2,334,213
	<u>                    </u>	<u>                    </u>
<b>Basic profit/(loss) per share:</b>		
From total operations	1.2p	(4.0)p
	<u>                    </u>	<u>                    </u>
<b>Diluted profit/(loss per share):</b>		
From total operations	1.2p	(4.0)p
	<u>                    </u>	<u>                    </u>

5. No dividend is proposed.

## 6. Intangible fixed assets

	<b>Goodwill</b>	<b>Trademarks</b>	<b>Software</b>	<b>Total</b>
	£000	£000	£000	£000
<b><i>Cost</i></b>				
At 25 December 2011	269	16	120	405
Additions	-	2	8	10
Disposals	-	-	(15)	(15)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 2012	269	18	113	400
	<hr/>	<hr/>	<hr/>	<hr/>
<b><i>Accumulated amortisation and impairment</i></b>				
At 25 December 2011	35	2	63	100
Charge for the period	-	1	19	20
Disposal	-	-	(15)	(15)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 2012	35	3	67	105
	<hr/>	<hr/>	<hr/>	<hr/>
<b><i>Carrying amount</i></b>				
<b>At 30 December 2012</b>	<b>234</b>	<b>15</b>	<b>46</b>	<b>295</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 25 December 2011	234	14	57	305
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### ***Impairment testing of goodwill and intangible fixed assets***

Goodwill of £269,000 (2011: £269,000) relates to the acquisition of Richoux Limited in August 2000 and is allocated to the group of cash generating units (CGUs) that comprise the business acquired (as described in note 3) with each restaurant site being treated as a single CGU.

The Group tests annually for impairment or more frequently if there are indications that the goodwill and intangible assets may be impaired. The recoverable amounts of the restaurants are calculated from value in use calculations based on cash flow projections from formally approved budgets to December 2013, and forecasts to December 2017 based on a sales growth rate of 2 per cent for established sites. The discount rate applied to cash flow projections is 12 per cent.

No impairment provision is required (2011: £26,000). The value in use of the remaining restaurants is higher than the carrying value.

## 7. Property, plant and equipment

	Short leasehold land and buildings £000	Leasehold improve- ments £000	Fixtures, fittings and equipment £000	Total £000
<b>Cost</b>				
At 25 December 2011	6,529	17	2,897	9,443
Additions	606	-	267	873
Disposals	(1,171)	(17)	(746)	(1,934)
At 30 December 2012	5,964	-	2,418	8,382
<b>Accumulated depreciation and impairment</b>				
At 25 December 2011	3,734	17	1,877	5,628
Charge for period	214	-	268	482
Disposals	(1,171)	(17)	(744)	(1,932)
At 30 December 2012	2,777	-	1,401	4,178
<b>Carrying amount</b>				
<b>At 30 December 2012</b>	<b>3,187</b>	<b>-</b>	<b>1,017</b>	<b>4,204</b>
At 25 December 2011	2,795	-	1,020	3,815

### **Impairment testing of property, plant and equipment**

The Group considers each trading restaurant to be a cash-generating unit (CGU) and each CGU is reviewed when there are indications of impairment.

The recoverable amounts of the restaurants are calculated from value in use calculations based on cash flow projections from formally approved budgets to December 2013, and forecasts to December 2017 based on a sales growth rate of 2 per cent for established sites. The discount rate applied to cash flow projections is 12 per cent.

No impairment provision is required (2011: £2,444,000). The value in use of the remaining restaurants is higher than the carrying value.

## 8. Reconciliation of operating profit/(loss) to operating cash flows

	53 week period ended 30 December 2012 £000	52 week period ended 25 December 2011 £000
Operating profit/(loss)	855	(2,726)
(Profit)/loss on disposal of property, plant and equipment	(22)	26
Profit on disposal of assets held for sale	(109)	-
Depreciation charge	482	483
Amortisation charge	20	20
Impairment of intangible fixed assets	-	26
Impairment of property, plant and equipment	-	2,444
Decrease/(increase) in stocks	22	(20)
Decrease in debtors	101	86
(Decrease)/increase in creditors	(594)	578
Equity settled share based payments	72	14
Net cash inflow from operating activities	827	931

## 9. Post balance sheet events

On the 25 January 2013 the Group entered into a new twenty year lease with Amberstar Limited, a Company in which Phillip Kaye is a shareholder, for a new restaurant in Chiswick, London at a rent of £116,000 per annum, and on the 15 March 2013 the Group took possession of a new restaurant in Fareham, Hampshire under and agreement for lease entered into on 4 December 2012 at a rent of £70,000 per annum.

10. Related party transactions

During the period the Group paid professional fees for legal services of £67,000 (2011: £83,000) to Glovers Solicitors LLP of which Philip Shotter is a member. As at the end of the period £6,000 (2011: £15,000) was outstanding. This is in addition to fees included as Director's emoluments.

The Group has a group VAT registration and the representative Company, Richoux Group plc, pays the net VAT for the Group.

The Group has a group insurance policy which is paid by Richoux Group plc.

**Transactions with Directors**

Directors' emoluments

	<b>2012</b>	£2011
	<b>£000</b>	£000
Short term employee benefits	<b>274</b>	145
Share based payments	<b>66</b>	5
	<hr/> <b>340</b> <hr/>	<hr/> 150 <hr/>

During the period Salvatore Diliberto subscribed for 5,781,250 ordinary shares (2011: nil), The Hon. Robert A. Rayne subscribed for 5,781,250 ordinary shares (2011: nil), and Edward Standing subscribed for 1,875,000 ordinary shares (2011: nil) as part of the share placing that occurred during the period. The price paid per share was 8p.

**Transactions with substantial shareholders**

During the period Phillip Kaye subscribed for 5,781,250 ordinary shares (2011: nil) and Michinoko Limited subscribed for 5,781,250 ordinary shares (2011: nil) as part of the share placing that occurred during the period. The price paid per share was 8p.

During the previous period the Group entered into a new lease with Amberstar Limited, a Company in which Phillip Kaye is a shareholder.

On 22 January 2012 the Group disposed of its restaurant in Barnet to Prezzo plc, a Company in which Phillip Kaye is a shareholder.

During the period the Group paid £25,000 to Prezzo plc, a Company in which Phillip Kaye is a shareholder, for fixtures, fittings and equipment.

11. Report and accounts

Copies of the annual report and accounts will be posted to the shareholders shortly and will be available at [www.richouxgroup.co.uk](http://www.richouxgroup.co.uk).

- ENDS -