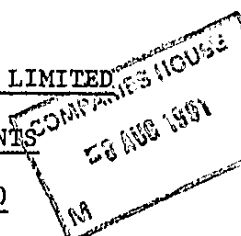


DH GORMAN (LEICESTER) LIMITED

REPORT AND ACCOUNTS

2 DECEMBER 1990

(number 841474)



KPMG PEAT MARWICK McLINTOCK
1 Puddle Dock, Blackfriars, London EC4V 3PD.

DH GORMAN (LEICESTER) LIMITED

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 2 December 1990.

Results and dividends

The trading profit on ordinary activities for the year, after taxation, amounted to £94,334 (1989: £44,901).

The directors do not recommend the payment of a dividend.

Review of the business

The principal activity during the year was trading as a restaurant operator.

Fixed assets

The changes in fixed assets during the year are summarised in the notes to the accounts.

Close company status

The company is not a close company within the provisions of the Income and Corporation Taxes Act, 1988.

Directors and their interests

The directors who held office during the year are as follows:


WW Van Riemsdijk	(resigned 1 May 1990; re-appointed 7 June 1991)
CE Brown (USA)	(resigned 26 February 1990)
S Miller	(appointed 26 February 1990; resigned 1 May 1991)
T Scoble	(appointed 26 February 1990; resigned 7 June 1991)
L Cates	(appointed 7 June 1991)

No director had any interest in the share capital of the company.

Auditors

KPMG Peat Marwick McLintock were appointed auditors on 1 October 1990. In accordance with Sections 385 and 390 (A) of the Companies Act 1985, a resolution concerning their reappointment and remuneration will be proposed at the Annual General Meeting.

By order of the board


Secretary

7 June 1991

Venture House
Hartley Avenue
Mill Hill
London
NW7 2HX

REPORT OF THE AUDITORS TO THE MEMBERS OF
DH GORMAN (LEICESTER) LIMITED

We have audited the accounts on pages 3 to 9 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 2 December 1990 and of the profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick Main

Chartered Accountants

London

7 June 1991

DH GORMAN (LEICESTER) LIMITEDPROFIT AND LOSS ACCOUNTFor the year ended 2 December 1990

	<u>Notes</u>	<u>1990</u>	<u>1989</u>
Turnover	2	£ 503,910	£ 451,033
Raw materials and consumables		121,962	111,320
Other external charges		<u>119,523</u>	<u>113,864</u>
		262,425	225,849
Staff costs	3	£ 141,458	130,465
Depreciation and amortisation charges		<u>26,633</u>	<u>50,483</u>
		<u>168,091</u>	<u>180,948</u>
Profit on ordinary activities before taxation	4	94,334	44,901
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		94,334	44,901
Retained profit brought forward		<u>51,981</u>	<u>7,080</u>
Retained profit carried forward		<u>£ 146,315</u> =====	<u>£ 51,981</u> =====

The notes on pages 6 to 9 form part of these accounts.

DH GORMAN (LEICESTER) LIMITEDBALANCE SHEETAs at 2 December 1990

	<u>Notes</u>	<u>1990</u>	<u>1989</u>
FIXED ASSETS			
Tangible assets	6	£ 211,719	£ 232,011
CURRENT ASSETS			
Stocks		£ 2,108	1,870
Debtors	7	2,007	9,564
Cash at bank and in hand		500	500
		4,615	11,934
CREDITORS: Amounts falling due within one year	8	(69,919)	(191,864)
NET CURRENT LIABILITIES		(65,304)	(179,930)
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 146,415	£ 52,081
CAPITAL AND RESERVES			
Called up share capital	10	£ 100	£ 100
Profit and loss account		146,315	51,981
		£ 146,415	£ 52,081

These accounts were approved by the board of directors on 7 June 1991.

T. J. S. L. D.
Chryl. L. L. L.

Director

Director

The notes on pages 6 to 9 form part of these accounts.

DH GORMAN (LEICESTER) LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDSFor the year ended 2 December 1990

	<u>1990</u>	<u>1989</u>
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	£ 94,334	£ 44,901
Adjustment for items not involving the movement of funds:		
Depreciation and amortisation charges	<u>26,633</u>	<u>50,483</u>
Total generated from operations	120,967	95,384
FUNDS FROM OTHER SOURCES		
Proceeds on disposal of fixed tangible assets	10,171	-
APPLICATION OF FUNDS		
Purchase of tangible fixed assets	<u>(16,512)</u>	<u>(12,919)</u>
INCREASE IN WORKING CAPITAL	<u>£ 114,626</u>	<u>£ 82,465</u>
	=====	=====
COMPONENT OF INCREASE/(DECREASE) IN WORKING CAPITAL		
Increase in stocks	£ 238	£ 164
(Decrease)/increase in debtors	(7,557)	2,728
Decrease in creditors	<u>121,945</u>	<u>79,573</u>
	114,626	82,465
Movement in net liquid funds	<u>-</u>	<u>-</u>
Cash at bank and in hand	<u>£ 114,626</u>	<u>£ 82,465</u>
	=====	=====

DH GORMAN (LEICESTER) LIMITEDNOTES(forming part of the financial statements)1 ACCOUNTING POLICIESAccounting convention

The accounts are prepared under the historical cost convention.

Depreciation and amortisation

Depreciation and amortisation is provided on all 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
(including lease acquisition
premium)

- over effective life of the lease

Fixtures, fittings, tools and
equipment

- over 2 to 10 years

Stocks

Stocks are valued at the lower of cost and net realisable value on a first-in, first-out basis.

Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences where it is considered probable that a liability will crystallise.

2 TURNOVER

Turnover represents the amount of sales (which are all in the United Kingdom), stated net of value added tax.

3 STAFF COSTS

	<u>1990</u>	<u>1989</u>
Wages and salaries	£ 132,397	£ 122,401
Social security costs	9,061	8,064
	<u>£ 141,458</u>	<u>£ 130,465</u>
	=====	=====

14-08-9

DH GORMAN (LEICESTER) LIMITED

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NOTES (continued)

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1990</u>	<u>1989</u>
This is stated after charging:		
Auditors' remuneration	£ -	£ 2,000
Rental on operating leases	39,125	34,306
Depreciation and amortisation	26,633	50,483
	=====	=====

The audit fee is payable by the holding company.

5 TAXATION

The charge to corporation tax for the year was nil due to the availability of taxation losses carried forward from prior years.

6 TANGIBLE FIXED ASSETS

	<u>Land and buildings</u>	<u>Fixtures; fittings, tools and equipment</u>	<u>Total</u>
<u>Cost</u>			
At 4 December 1989	£ 303,093	£ 103,061	£ 406,154
Additions	538	15,974	16,512
Disposals	(8,313)	(13,222)	(21,535)
	<u>295,318</u>	<u>105,813</u>	<u>401,131</u>
At 2 December 1990			
<u>Depreciation</u>			
At 4 December 1989	102,582	71,561	174,143
Provided during the year	14,289	12,344	26,633
Disposals	(1,595)	(9,769)	(11,364)
	<u>115,276</u>	<u>74,136</u>	<u>189,412</u>
At 2 December 1990			
<u>Net book value</u>			
At 2 December 1990	£ 180,042	£ 31,677	£ 211,719
	=====	=====	=====
At 4 December 1989	£ 200,511	£ 31,500	£ 232,011
	=====	=====	=====

Land and buildings relate to property held under short leasehold agreements.

DH GORMAN (LEICESTER) LIMITEDNOTES (continued)

7 DEBTORS

	<u>1990</u>	<u>1989</u>
Sundry debtors and prepayments	£ 2,007 =====	£ 9,564 =====

8 CREDITORS: Amounts falling due within one year

	<u>1990</u>	<u>1989</u>
Trade creditors	£ 248	£ 1,969
Amounts due to other group companies	69,048	189,895
Accruals and prepayments	623	-
	£ 69,919 =====	£ 191,864 =====

9 DEFERRED TAXATION

No provision has been made for deferred tax. The amounts not provided are as follows:

	<u>1990</u>	<u>1989</u>
Capital allowances in advance of depreciation	£ 20,000	£ 22,000
Less: taxation losses	-	-
	£ 20,000 =====	£ 22,000 =====

10 CALLED UP SHARE CAPITAL

	<u>Authorised, allotted, called up and fully paid</u>	<u>1990</u>	<u>1989</u>
Ordinary shares of £1 each	£ 100 =====	£ 100 =====	

DH GORMAN (LEICESTER) LIMITEDNOTES (continued)

11 OBLIGATIONS UNDER OPERATING LEASES

At 2 December 1990 the annual commitments under non-cancellable operating leases were as follows:

	<u>Land and buildings</u>	
	<u>1990</u>	<u>1989</u>
Operating leases which expire:		
Within one year	£ -	£ -
In second to fifth years inclusive	<u>39,125</u>	<u>39,125</u>
Over five years	<u>£ 39,125</u>	<u>£ 39,125</u>
	<u>=====</u>	<u>=====</u>

12 ULTIMATE HOLDING COMPANY

The holding company is Pizza Hut (UK) Limited which is incorporated in Great Britain. Pizza Hut (UK) Limited is ultimately owned equally by Whitbread plc (incorporated in Great Britain) and PepsiCo Inc. (incorporated in the USA).