

CRUSTS GAFF LIMITED

DIRECTORS' REPORT AND ACCOUNTS- 5 NOV 1990

31 January 1990

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CRUSTS GAFF LIMITED

DIRECTORS' REPORT

The directors present herewith their annual report and statement of accounts for the fifteen months ended 31 January 1990.

CHANGE OF YEAR END

In line with the change made by the ultimate holding company, Trusthouse Forte PLC, the Company has changed its year-end to 31 January. Therefore the Directors' Report and Accounts are for a fifteen month period.

ACTIVITIES

The principal activity of the company was that of restaurateurs and caterers.

RESULTS

The profit before taxation for the fifteen months ended 31 January 1990 was £28,090 (1988: twelve month period £5,094). Details are contained in the profit and loss account on page 5.

DIVIDEND

The directors do not recommend that a dividend be paid in respect of the fifteen month period ended 31 January 1990 (1988 : £Nil).

DIRECTORS AND THEIR INTERESTS

The following were directors of the company during the fifteen months ended 31 January 1990.

Mr PJ Wilson
Mr N Lovett
Mr AJ Hearn (resigned 5 February 1990)

Mr AL Monnickendam was appointed a director on 5 February 1990.

On 24 April 1990 Mr N Lovett resigned as a Director of the Company and Mr PM Clack was appointed a Director of the Company.

The notifiable interests of the directors at 31 January 1990 in the issued share capital of the ultimate holding company as at the relevant dates are shown below:

DIRECTORS AND THEIR INTERESTS (continued)

	Trusthouse Forte PLC Ordinary shares of 25p each 31 January 1990		Trusthouse Forte PLC Ordinary shares of 25p each 1 November 1988	
	<u>Shares</u>	<u>Options</u>	<u>Shares</u>	<u>Options</u>
Mr N Lovett	Nil	57,068	Nil	57,068
Mr PJ Wilson	Nil	15,701	Nil	14,475

The undermentioned Director was also a Director of Trusthouse Forte PLC at the financial year end and as such his interest in that company is not required to be recorded in this company's register of directors' interests.

Mr AJ Hearn

FIXED ASSETS

The movements in fixed assets are shown in Note 8 to the financial statements.

HOLDING COMPANY

The company's ultimate holding company is Trusthouse Forte PLC which is incorporated in England.

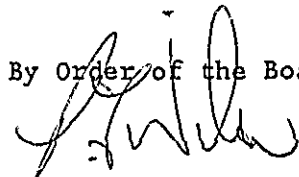
RESEARCH AND DEVELOPMENT

The company has a continuous research and development programme with the object of increasing the profitability of its operations. In addition, product improvement is achieved through market research and quality control.

AUDITORS

The auditors, Price Waterhouse, have expressed their willingness to be reappointed and a resolution concerning their appointment will be submitted to the Annual General Meeting.

By Order of the Board



PJ Wilson
Secretary

166 High Holborn
London WC1V 6TT

20 July 1990

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF
CRUSTS GAFF LIMITED

We have audited the financial statements on pages 5 to 13 in
accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of
the state of the Company's affairs at 31 January 1990 and of its
profit and source and application of funds for the fifteen month
period then ended and have been properly prepared in accordance with
the Companies Act 1985.

Price Waterhouse

Chartered Accountants
London.

20 July 1990

CRUSTS GAFF LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE FIFTEEN MONTHS TO 31 JANUARY 1990

	Notes	Fifteen months ended 31 January 1990 £	Year ended 31 October 1988 £
TURNOVER	1b,2	272,765	320,766
Operating costs		(244,675)	(304,172)
GROSS PROFIT		28,090	16,594
Exceptional item	3	-	(11,500)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		28,090	5,094
Tax on profit on ordinary activities	7	11,895	48,662
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT RETAINED FOR THE PERIOD	14	39,985	53,756

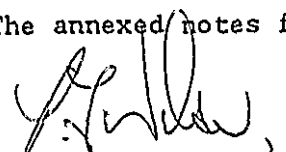
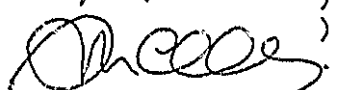
The annexed notes form part of these accounts.

CRUSTS GAFF LIMITED

BALANCE SHEET - 31 JANUARY 1990

	<u>Notes</u>	<u>1990</u> £	<u>1988</u> £
FIXED ASSETS			
Tangible assets	8	129,385	5,457
CURRENT ASSETS			
Stocks	9	7,861	2,897
Debtors	10	327,094	222,939
Cash at bank and in hand		<u>500</u>	<u>31</u>
		335,455	225,867
CREDITORS: amounts falling due within one year	11	(298,222)	(104,691)
NET CURRENT ASSETS		<u>37,233</u>	<u>121,176</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		166,618	126,633
PROVISIONS FOR LIABILITIES AND CHARGES	12	<u>-</u>	<u>-</u>
		<u>166,618</u>	<u>126,633</u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account	14	<u>166,518</u>	<u>126,533</u>
		<u>166,618</u>	<u>126,633</u>

The annexed notes form part of these accounts.


 DIRECTORS

Approved by the Board of Directors on 20 July 1990

CRUSTS GAFF LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE FIFTEEN MONTHS TO 31 JANUARY 1990

	Fifteen months ended 31 January 1990 £	Year ended 31 October 1988 £
SOURCE OF FUNDS		
Profit before taxation	28,090	5,094
Items not involving the movement of funds:		
Diminution in value of fixed assets	-	11,500
Depreciation	<u>2,463</u>	<u>-</u>
TOTAL FUNDS GENERATED	30,553	16,594
FUNDS FROM OTHER SOURCES		
Proceeds on disposal of fixed assets	<u>-</u>	<u>205,946</u>
	30,553	222,540
APPLICATION OF FUNDS		
Purchase of tangible fixed assets	(126,391)	(15,949)
	<u>(95,838)</u>	<u>206,591</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Stocks	4,964	(8,144)
Debtors	(30,422)	31,913
Creditors	(2,474)	(16,965)
Amounts due to/from group companies	<u>(68,375)</u>	<u>200,106</u>
	(96,307)	206,910
(Decrease)/increase in net liquid funds	<u>469</u>	<u>(319)</u>
	<u>(95,838)</u>	<u>206,591</u>

The annexed notes form part of these accounts.

CRUSTS GAFF LIMITED

NOTES TO THE ACCOUNTS - 31 JANUARY 1990

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention.

(b) Turnover

Turnover represents the amounts receivable for goods sold and services provided.

(c) Depreciation

Depreciation is provided on all tangible fixed assets on a straight line basis over the estimated useful lives of the assets which are:

Furniture and equipment 4 - 10 years

(d) Stocks

Stocks are stated at the lower of cost and net realisable value.

(e) Deferred taxation

Provision is made for deferred taxation arising from timing differences between profits as computed for taxation purposes and profits as stated in the accounts to the extent that the liability will be payable in the foreseeable future.

(f) Pensions

Contributions to the Trusthouse Forte Group pension schemes are assessed by a qualified actuary based on the cost of providing pensions across all participating Trusthouse Forte Group companies. Costs are not determined for each individual company hence contributions are charged to the profit and loss account in the period in respect of which they become payable.

(g) Change of year-end

In line with the change made by the ultimate holding company, Trusthouse Forte PLC, the company has changed its year end to 31 January. Therefore the Directors' Report and Accounts are for a fifteen month period.

CRUSTS GAFF LIMITED

NOTES TO THE ACCOUNTS - 31 JANUARY 1990 (continued)

2 SEGMENT INFORMATION

The turnover and trading profit are attributable to the company's business of operating restaurants and catering facilities.

3 EXCEPTIONAL ITEM

	Fifteen months ended 31 January 1990 £	Year ended 31 October 1988 £
Diminution in value of fixed assets	-	<u>11,500</u>

4 OPERATING PROFIT

Operating profit is stated after charging:

	Fifteen months ended 31 January 1990 £	Year ended 31 October 1988 £
Raw materials and consumables	88,115	103,855
Other external charges	56,389	57,433
Management charges	-	25,000
Depreciation	2,463	-
Staff costs (note 6)	<u>97,708</u>	<u>117,884</u>

Auditors' remuneration for the period has been dealt with in the accounts of a fellow subsidiary.

5 EMOLUMENTS OF DIRECTORS

The salaries of the Chairman and the directors were paid by other group companies and no remuneration was paid or is payable by Crusts Gaff Limited.

CRUSTS GAFF LIMITED

NOTES TO THE ACCOUNTS - 31 JANUARY 1990 (continued)

6 EMPLOYEES

Employee costs during the period were:

	Fifteen months ended 31 January 1990 £	Year ended 31 October 1988 £
Wages and salaries	84,382	109,125
Social security costs	<u>13,326</u>	<u>8,759</u>
	<u>97,708</u>	<u>117,884</u>

The average number of employees employed by the company during the period was:

	Fifteen months ended 31 January 1990 £	Year ended 31 October 1988 £
United Kingdom	<u>28</u>	<u>20</u>

No employee was in receipt of remuneration in excess of £30,000.

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	Fifteen months ended 31 January 1990 £	Year ended 31 October 1988 £
Corporation tax at 35% (1988:35%)	8,151	-
Prior year adjustment	3,744	-
Deferred taxation	<u>-</u>	<u>48,662</u>
	<u>11,895</u>	<u>48,662</u>

The corporation tax credit of £8,151 related to losses which are to be surrendered to another group company for full consideration.

CRUSTS GAFF LIMITED

NOTES TO THE ACCOUNTS - 31 JANUARY 1990 (continued)

8 TANGIBLE ASSETS

	<u>Furniture & equipment</u> £	<u>Total</u> £
<u>Cost</u>		
At 1 November 1988	5,457	5,457
Additions	<u>126,391</u>	<u>126,391</u>
At 31 January 1990	<u>131,848</u>	<u>131,848</u>
<u>Depreciation</u>		
At 1 November 1988	-	-
Charge for the period	<u>2,463</u>	<u>2,463</u>
31 January 1990	<u>2,463</u>	<u>2,463</u>
<u>Net book value</u>		
At 31 January 1990	<u>129,385</u>	<u>129,385</u>
At 1 November 1988	<u>5,457</u>	<u>5,457</u>

9 STOCKS

	<u>1990</u> £	<u>1988</u> £
Raw materials and consumables	<u>7,861</u>	<u>2,897</u>

10 DEBTORS

Amounts falling due within one year

	<u>1990</u> £	<u>1988</u> £
Trade debtors	1,470	1,889
Amounts owed by group companies	323,627	189,050
Other debtors	-	29,351
Prepayments	<u>1,997</u>	<u>2,649</u>
	<u>327,094</u>	<u>222,939</u>

CRUSTS GAFF LIMITED

NOTES TO THE ACCOUNTS - 31 JANUARY 1990 (continued)

11 CREDITORS

Amounts falling due within one year

	<u>1990</u>	<u>1988</u>
	£	£
Trade creditors	17,589	23,762
Amounts owed to group companies	268,840	77,783
Accruals	9,285	3,146
Other creditors including taxation and social security	<u>2,508</u>	<u>-</u>
	<u>298,222</u>	<u>104,691</u>

12 PROVISIONS FOR LIABILITIES AND CHARGES

The deferred taxation balance and potential amount of deferred taxation for all timing differences are as follows:

	<u>1990</u>		<u>1988</u>	
	Amount provided in <u>the accounts</u>	Potential <u>liability</u>	Amount provided in <u>the accounts</u>	Potential <u>liability</u>
	£	£	£	£
Timing differences due to:				
Excess of capital allowances over depreciation	<u>-</u>	<u>3,912</u>	<u>-</u>	<u>-</u>

13 CALLED UP SHARE CAPITAL

	<u>1990</u>	<u>1988</u>
	£	£
Authorised, issued and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

CRUST'S GAFF LIMITED

NOTES TO THE ACCOUNTS - 31 JANUARY 1990 (continued)

14 RESERVES

Profit and
loss account
£

At 1 November 1988	126,533
Profit retained for the period	<u>39,985</u>
At 31 January 1990	<u>166,518</u>

15 PENSION COMMITMENTS

The company participates in the Trusthouse Forte (UK) Pension Fund. This scheme is of the defined benefit type providing benefits to certain employees within the Trusthouse Forte Group and the assets are held separately from the Group's assets.

The latest actuarial valuation of the main group scheme was carried out as at 6 April 1988. Details of this valuation are contained in the financial statements of the Trusthouse Forte Group.

The total pension cost for the company was £Nil (1988 : £Nil).

16 HOLDING COMPANY

The company's ultimate holding company is Trusthouse Forte PLC, a company incorporated in England.