

**Capital Radio Restaurants Group Limited**  
**(formerly My Kinda Town Group Limited)**

**Directors' report and financial statements**

30 September 1997

Registered number 1650740



## **Directors' report and financial statements**

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## **Directors and advisors**

### **Directors**

ST Gee (resigned 4 August 1997)  
P Webber (resigned 4 August 1997)  
PJ Harris (appointed 21 February 1997)  
RG Scott (appointed 14 July 1997)

### **Secretary**

RC Naismith (appointed 27 February 1998)  
M Rutherford (resigned 27 February 1998)

### **Registered Office**

30 Leicester Square  
London  
WC2H 7LA

### **Bankers**

Bank of Scotland  
38 Threadneedle Street  
London  
EC2P 7AN

### **Solicitors**

Freshfields  
65 Fleet Street  
London  
EC4A 1SH

### **Auditor**

KPMG Audit Plc  
8 Salisbury Square  
London  
EC4Y 8BB

## **Directors' report**

The directors present their annual report and the audited financial statements for the 15 month period ended 30 September 1997.

### **Principal activities and business review**

Capital Radio Restaurants Group Limited is a holding company for subsidiaries operating and franchising the Group's restaurants, bars and grills. On 31 December 1997 My Kinda Town Group Limited changed its name to Capital Radio Restaurants Group Limited.

### **Dividends and reserves**

An interim dividend of £Nil (1996: £500,000) was paid during the period. No final dividend is recommended for the period (1996: £Nil). The retained loss of £217,000 has been transferred from reserves (1996: £115,000).

### **Directors and their interests**

The current members of the Board are set out on page 1. All directors served throughout the period unless otherwise indicated.

The directors held no interests, as defined by the Companies Act 1985, in the shares of the company at 30 September 1997.

The share interests of PJ Harris, who is a director of the ultimate parent company, Capital Radio plc, are disclosed in that company's financial statements. No other director held any interests in the ultimate parent company.

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

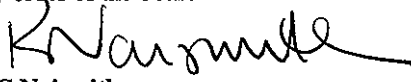
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### **Auditor**

During the period KPMG Audit Plc was appointed as auditor and, in accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

  
**RC Naismith**  
Secretary

30 Leicester Square  
London  
WC2H 7LA

25<sup>th</sup> June 1998

**KPMG Audit Plc**

8 Salisbury Square  
London  
EC4Y 8BB

**Report of the auditor to the members of Capital Radio Restaurants Group Limited  
(formerly My Kinda Town Group Limited)**

We have audited the financial statements on pages 4 to 9.

**Respective responsibilities of directors and auditor**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor

17 July 1998  
[Date]

**Profit and loss account**  
*for the period ended 30 September 1997*

	<i>Note</i>	15 months ended 30 September 1997 £000	1996 £000
Net operating expenses		-	(10)
<b>Operating loss</b>		-	(10)
Interest payable	2	(218)	(161)
Dividends receivable		-	625
<b>(Loss)/profit on ordinary activities before taxation</b>	2	(218)	454
Tax credit /(charge) on (loss)/profit on ordinary activities	3	1	(69)
<b>(Loss)/profit on ordinary activities after taxation</b>		(217)	385
Dividends payable	4	-	(500)
<b>Retained loss transferred from reserves</b>		(217)	(115)
Profit and loss account brought forward		1,106	1,221
<b>Profit and loss account carried forward</b>		889	1,106

All activities derive from continuing operations.

There are no recognised gains or losses other than the (loss)/profit for the period. Accordingly, no statement of recognised gains and losses is given.

**Balance sheet**  
*at 30 September 1997*

	<i>Note</i>	<b>1997</b> <b>£000</b>	<b>1996</b> <b>£000</b>
<b>Fixed assets</b>			
Investments	9	14,514	13,819
<b>Current assets</b>			
Debtors	5	8,293	7,850
<b>Creditors: amounts falling due within one year</b>	6	8,293 (17,377)	7,850 (11,522)
<b>Net current liabilities</b>		(9,084)	(3,672)
<b>Total assets less current liabilities</b>		5,430	10,147
<b>Creditors: amounts falling due in more than one year</b>	7	-	(4,500)
<b>Net assets</b>		5,430	5,647
<b>Capital and reserves</b>			
Called up share capital	8	3,246	3,246
Share premium account		12	12
Merger reserve		1,283	1,283
Profit and loss account	10	889	1,106
<b>Shareholder's funds</b>			
Non-equity		1,662	1,662
Equity		3,768	3,985
		5,430	5,647

These financial statements were approved by the board of directors on 25 June 1998 and were signed on its behalf by:



**PJ Harris**  
*Director*

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules and on a going concern basis.

#### *Financial Reporting Standard 8 (FRS 8)*

As the Company is a wholly owned subsidiary of Capital Radio plc, the company has taken advantage of the exemption contained in FRS 8 and has, therefore, not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Capital Radio plc, within which this company is included, may be obtained from 1 Leicester Square, London, WC2H 7LA.

#### *Cashflow statement*

In accordance with Financial Reporting Standard 1 (revised), the company does not prepare a cash flow statement as it is a wholly owned subsidiary undertaking of a UK parent company. Cash flows of the company are shown in the financial statements of the ultimate parent company, Capital Radio plc.

#### *Investments*

Shares in group companies and shares held as fixed assets are stated at cost less provision for any permanent diminution in value.

#### *Deferred taxation*

Deferred taxation has been provided at the appropriate tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probably that a liability or asset will crystallise in the future.

#### *Goodwill*

Goodwill representing the excess of the cost of investment over the fair value of assets acquired is charged to a goodwill reserve.

### 2 (Loss)/profit on ordinary activities before taxation

The directors have been remunerated by another group company.

The company does not have any employees.

The auditors' remuneration is paid by another group company.

All interest payable is on loans repayable within five years (see note 7).



## Notes (continued)

### 3 Tax (credit)/charge on profit on ordinary activities

	15 months ended 30 September 1997 £000	1996 £000
Group relief receivable	-	(56)
Advance Corporation Tax	-	125
Prior year adjustment	(1)	-
	<u>(1)</u>	<u>69</u>

### 4 Dividends

	per share pence	15 months ended 30 September 1997 £000	per share pence	1996 £000
Interim dividend	-	-	4	500
Final dividend	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The preferred shareholders have waived their rights to dividends and these dividends were applied to the ordinary shareholders.

### 5 Debtors

	1997 £000	1996 £000
Amounts owed by group undertakings	<u>8,293</u>	<u>7,850</u>

### 6 Creditors: amounts falling due within one year

	1997 £000	1996 £000
Bank loans and overdrafts	1,437	298
Amounts owed to group undertakings	15,933	11,200
Accruals and deferred income	7	23
Corporation tax	-	1
	<u>17,377</u>	<u>11,522</u>

The company has given its bankers a cross guarantee to secure the bank borrowings of the other group undertakings. This guarantee is secured by a fixed and floating charge over all the assets of the company.

## Notes (continued)

### 7 Creditors: amounts falling due in more than one year

	1997 £000	1996 £000
Bank loans	-	4,500

The loan was repaid on 6 June 1997. It bore interest at 1.75% over bank base rate.

### 8 Called up share capital

	1997 £000	Numbers 000	1996 £000	Numbers 000
<i>Authorised:</i>				
Equity: Ordinary shares of 10p	1,362	13,623	1,362	13,623
Equity :Preferred ordinary shares of 10p	386	3,863	386	3,863
Non-equity: Non-convertible preference shares of 10p	1,662	16,616	1,662	16,616
	<u>3,410</u>	<u>34,102</u>	<u>3,410</u>	<u>34,102</u>
<i>Allotted and fully paid:</i>				
Equity: Ordinary shares of 10p	1,198	11,977	1,198	11,977
Equity :Preferred ordinary shares of 10p	386	3,863	386	3,863
Non-equity: Non-convertible preference shares of 10p	1,662	16,616	1,662	16,616
	<u>3,246</u>	<u>32,456</u>	<u>3,246</u>	<u>32,456</u>

### 9 Investments held as fixed assets

	1997 £000	1996 £000
Shares in group companies - subsidiary undertakings	13,819	13,819
Long term loans to group companies	695	-
	<u>14,514</u>	<u>13,819</u>

## Notes (continued)

### 9 Investments held as fixed assets (continued)

Company	Class of share	% owned by My Kinda Town Group Ltd at 30 September 1997
Capital Radio Restaurants Limited	Ordinary shares of £1 each	100
Capital Radio Restaurants Enterprises Limited	Ordinary shares of £1 each	100
My Kinda Windy City Limited (dormant)	Ordinary shares of £1 each	100
My Kinda Shacks Limited	Ordinary shares of £1 each	100
Neal Street Blues Limited	Ordinary shares of £1 each	100
Jams of London Limited	Ordinary shares of £1 each	51
My Kinda Ville S.A - France	Ordinary shares of FF 100 each	100
My Kinda Baile Limited - Ireland	Ordinary shares of IR £1 each	100
My Kinda Town Restaurants GmbH - Germany	Ordinary shares of 1 DM each	100
My Kinda Ville Holdings Sarl - France	Ordinary shares of FF 100 each	100
My Kinda Barbeque S.A - France	Ordinary shares of FF 100 each	100

All subsidiaries are involved in operating restaurants, bars or grills and related activities. Except where stated all the companies are incorporated in Great Britain and registered in England and Wales. All the above investments are unlisted.

Group accounts have not been prepared, as Capital Radio Restaurants Group Limited is itself a wholly owned subsidiary of a company registered in England and Wales. In the opinion of the directors, the aggregate value of the shares in and the amounts owing from the subsidiaries is not less than the aggregate of the amounts at which they are stated in the company's balance sheet.

### 10 Reconciliation of movement in shareholders' funds

	1997 £000	1996 £000
Loss/(profit) for the financial year	(217)	385
Dividends	-	(500)
Net reduction in equity shareholder's funds	(217)	(115)
Opening shareholder's funds	5,647	5,762
Closing shareholder's funds	5,430	5,647

### 11 Ultimate parent company

At 30 September 1997 the immediate parent company is Capital Radio Restaurants Holdings Limited (formerly My Kinda Town PLC), registered in England and Wales. On 11 December 1996 My Kinda Town PLC became a subsidiary of Capital Radio plc, registered in England and Wales. The ultimate parent company is Capital Radio plc.

Copies of the group financial statements of Capital Radio plc are available from 30 Leicester Square, London, WC2H 7LA.