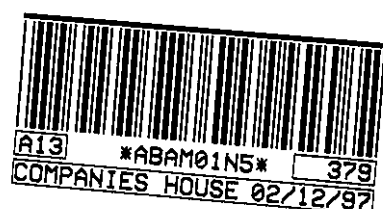


**SUFFOLK FAST FOODS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 JULY 1997**



Company no: 1816286

**SUFFOLK FAST FOODS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 1997**

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Company registration number:	1816286
Registered office:	Fast Food House Blackwall Reach GORLESTON ON SEA Great Yarmouth Norfolk
Director:	Mr K Sole
Secretary:	Mr J Lambert
Bankers:	National Westminster Bank plc
Auditors:	Grant Thornton Registered auditors Chartered accountants

**SUFFOLK FAST FOODS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 1997**

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# **SUFFOLK FAST FOODS LIMITED**

## **REPORT OF THE DIRECTOR**

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The director presents his report together with financial statements for the year ended 31 July 1997.

### **Principal activity**

The principal activity of the company is that of fast food services.

### **Business review**

The company made a profit for the year after taxation and before dividends of £547,914 (1996: £423,250). The director recommends a final dividend of £547,914 (1996: £423,250) leaving nothing to be retained.

The director anticipates that the company will continue to trade profitably.

### **Post balance sheet events**

On 15 September 1997, a new store opened in Wisbech. A further two new stores are planned to open in the forthcoming year.

### **Director**

The only director to serve during the year was Mr K Sole.

According to the register maintained as required by the Companies Act 1985, Mr K Sole had no interests in the shares of the company during the year.

The interests of Mr K Sole in the shares of the ultimate parent undertaking, Anglian Fast Foods Limited, are disclosed in that company's financial statements.

### **Directors' responsibilities for the financial statements**

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 of the company 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
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**SUFFOLK FAST FOODS LIMITED**

**REPORT OF THE DIRECTOR**

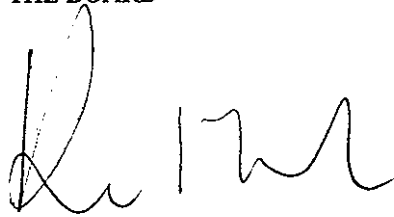
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**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD**

Director

A handwritten signature in black ink, appearing to be 'D. M.', written over a horizontal line.

10 November 1997

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
SUFFOLK FAST FOODS LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on page 4.

**Respective responsibilities of directors and auditors**

As described on page 1 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 at 31 July 1997 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

IPSWICH

10 November 1997

## **SUFFOLK FAST FOODS LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

#### **TURNOVER**

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

#### **DEPRECIATION**

Depreciation is calculated to write down the cost of tangible fixed assets over their expected useful economic lives. The rates and bases generally applicable are:

Leasehold premiums	Period of lease straight line
Improvements to property	10% straight line
Motor vehicles	25% reducing balance
Furniture, fixtures, fittings and equipment	20% reducing balance

#### **STOCKS**

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

#### **DEFERRED TAXATION**

Deferred tax is the taxation attributable to timing differences between profits or losses computed for taxation purposes and results as stated in the financial statements.

Deferred tax is provided for to the extent that it is probable that a liability or asset will crystallise and not otherwise. Unprovided deferred tax is disclosed as a contingent liability.

Deferred tax is calculated using the rate at which it is estimated that the tax will be paid when the timing differences reverse.

#### **LEASED ASSETS**

Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

# SUFFOLK FAST FOODS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 1997

	Note	1997 £	1996 £
Turnover	1	4,434,272	3,163,161
Cost of sales		(2,617,506)	(1,844,458)
Gross profit		1,816,766	1,318,703
Administrative expenses		(1,215,775)	(875,230)
Operating profit		600,991	443,473
Interest receivable and similar income		888	3,695
Profit on ordinary activities before taxation	1	601,879	447,168
Taxation	3	(53,965)	(23,918)
Profit on ordinary activities after taxation		547,914	423,250
Equity dividends proposed	4	(547,914)	(423,250)
Transfer to reserves		-	-

## STATEMENT OF RETAINED EARNINGS

	1997 £	1996 £
At 1 August 1996 and 31 July 1997	50,387	50,387

There are no recognised gains or losses other than the result for the year.

The accompanying accounting policies and notes form an integral part of these financial statements.



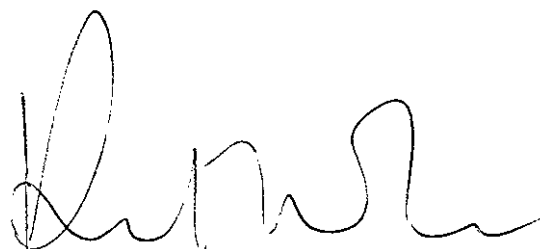
# SUFFOLK FAST FOODS LIMITED

## BALANCE SHEET AT 31 JULY 1997

	Note	1997 £	1996 £
<b>Fixed assets</b>			
Tangible assets	5	1,338,284	827,327
<b>Current assets</b>			
Stocks	6	26,886	21,853
Debtors	7	105,015	66,883
Cash at bank and in hand		95,653	68,749
		227,554	157,485
<b>Creditors: amounts falling due within one year</b>	8	(1,428,949)	(879,223)
<b>Net current liabilities</b>		(1,201,395)	(721,738)
<b>Total assets less current liabilities</b>		136,889	105,589
<b>Provisions for liabilities and charges</b>	9	(86,500)	(55,200)
		50,389	50,389
<b>Capital and reserves</b>			
Called up share capital	10	2	2
Profit and loss account		50,387	50,387
<b>Shareholders' funds</b>	11	50,389	50,389

The financial statements were approved by the director on 10 November 1997.

DIRECTOR



The accompanying accounting policies and notes form an integral part of these financial statements.

# SUFFOLK FAST FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1997

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation are attributable to one activity, namely the provision of fast food services.

The profit on ordinary activities is stated after:

	1997 £	1996 £
Depreciation of tangible fixed assets	148,161	76,988
Auditors' remuneration	4,000	4,000
Operating lease payments:		
Motor vehicles	10,590	9,009
Land and buildings	170,357	130,684

### 2 DIRECTOR AND EMPLOYEES

Staff costs during the year were as follows:

	1997 £	1996 £
Wages and salaries	949,765	640,685
Social security costs	66,000	44,038
	1,015,765	684,723

The average number of employees, including the director, during the year was 132 (1996: 108).

The director was not remunerated through this company.

### 3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the UK corporation tax payable on the profit for the year after relief of losses from Anglian Fast Foods Limited. There have been no transfers between group companies to take account of this relief.

	1997 £	1996 £
Corporation tax at 23% (1996: 24.6%)	23,000	25,000
Adjustments in respect of previous years	(335)	(9,282)
Deferred tax (note 9)	31,300	8,200
	53,965	23,918

# SUFFOLK FAST FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1997

### 4 DIVIDEND

	1997 £	1996 £
Ordinary shares of 10p each		
Proposed final dividend of £30,439.67p per share (1996: £23,513.89p)	<u>547,914</u>	<u>423,250</u>

### 5 TANGIBLE FIXED ASSETS

	Total £	Improve- ments to property £	Motor vehicles £	Furniture, fixtures, fittings and equipment £
Cost				
At 1 August 1996	1,167,246	771,843	6,887	388,516
Additions	659,517	524,252	-	135,265
Disposals	(6,887)	-	(6,887)	-
At 31 July 1997	<u>1,819,876</u>	<u>1,296,095</u>	<u>-</u>	<u>523,781</u>
Depreciation				
At 1 August 1996	339,919	160,822	6,394	172,703
Provided in the year	148,161	97,631	94	50,436
Disposals	(6,488)	-	(6,488)	-
At 31 July 1997	<u>481,592</u>	<u>258,453</u>	<u>-</u>	<u>223,139</u>
Net book amount at 31 July 1997	<u>1,338,284</u>	<u>1,037,642</u>	<u>-</u>	<u>300,642</u>
Net book amount at 31 July 1996	<u>827,327</u>	<u>611,021</u>	<u>493</u>	<u>215,813</u>

**SUFFOLK FAST FOODS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 JULY 1997****6 STOCKS**

	1997 £	1996 £
Raw materials and consumable stores	<u>26,886</u>	<u>21,853</u>

The replacement cost of stock does not materially exceed the balance sheet value.

**7 DEBTORS**

	1997 £	1996 £
Other debtors	920	853
Prepayments and accrued income	<u>104,095</u>	<u>66,030</u>
	<u>105,015</u>	<u>66,883</u>

Included in prepayments is an amount of £36,510 (1996: £36,510) in respect of rental deposits not repayable until the expiry of the respective leases.

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1997 £	1996 £
Trade creditors	222,710	108,650
Amounts owed to group undertakings	534,927	120,431
Social security and other taxes	22,518	13,384
Other creditors	15,797	10,448
Current taxation	23,000	25,000
Accruals	62,083	178,060
Proposed dividend	547,914	423,250
	<u>1,428,949</u>	<u>879,223</u>

# SUFFOLK FAST FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1997

### 9 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

1997 £	1996 £
At 1 August 1996	47,000
Charge for the year	8,200
At 31 July 1997	55,200

The provision for deferred taxation relates wholly to accelerated capital allowances.

### 10 SHARE CAPITAL

1997 £	1996 £
Authorised	
998 ordinary shares of 10p each	100
2 'A' ordinary shares of 10p each	-
	100
Allotted, called up and fully paid	2
	2
Number	Number
Ordinary shares of 10p each	18
'A' ordinary shares of 10p each	2
	20

#### Rights to dividends and priority on winding up

In accordance with the company's Articles of Association, 'A' ordinary shares do not rank for dividends except on a winding up of the company. Both class of share carry equal voting rights.

### 11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the year	547,914	423,250
Dividends	(547,914)	(423,250)
Net movement in shareholders' funds	-	-
Shareholders' funds at 1 August 1996	50,389	50,389
Shareholders' funds at 31 July 1997	50,389	50,389

# SUFFOLK FAST FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1997

### 12 CAPITAL COMMITMENTS

At 31 July 1997 the company had capital commitments amounting to £74,000 in respect of a new store which opened on 15 September 1997 (1996: nil).

### 13 LEASING COMMITMENTS

Operating lease commitments amounting to £196,169 (1996: £152,680) are due within one year. The commitments to make payments included in this sum expire as follows:

	Land and buildings 1997 £	Other 1997 £	Land and buildings 1996 £	Other 1996 £
Within one year	16,000	-	-	840
Between two and five years	29,000	12,669	28,000	5,340
Over five years	138,500	-	118,500	-
	<u>183,500</u>	<u>12,669</u>	<u>146,500</u>	<u>6,180</u>

### 14 CONTINGENT LIABILITIES

Any bank loans or overdrafts are secured by a fixed and floating charge over the company's assets.

The company has provided a composite guarantee and debenture to GiroCredit Bank Aktiengesellschaft der Sparkassen in respect of amounts owing by the parent undertaking. In addition, the company has also entered into an "Intra-Group Loan Agreement" in respect of providing loan facilities to the parent undertaking.

### 15 ULTIMATE PARENT UNDERTAKING

In the opinion of the director, the ultimate parent undertaking and controlling related party is Anglian Fast Foods Limited which is registered in England and Wales. There is no ultimate controlling related party.

### 16 TRANSACTIONS WITH RELATED PARTIES

The company has taken advantage of the exemption conferred by Financial Reporting Standard Number 8 on group companies and does not disclose details of intra-group transactions.