

COMPANY NO. 1829152

POMEROYS RESTAURANTS LIMITED

REPORT AND  
FINANCIAL STATEMENTS

FOR THE PERIOD ENDED  
1 MARCH 1997



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**POMEROYS RESTAURANTS LIMITED**

**FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 MARCH 1997**

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**POMEROYS RESTAURANTS LIMITED**

**COMPANY INFORMATION  
AS AT 1 MARCH 1997**

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**DIRECTORS**

R Myers  
K E D Jones  
L I Ross  
S J Warner

**SECRETARY**

N J Fenton

**REGISTERED NUMBER**

1829152

**JOINT AUDITORS**

Mercers Bryant  
Chartered Accountants  
45 Crawford Place  
London W1H 2AD

Binder Hamlyn  
Chartered Accountants  
20 Old Bailey  
London EC4M 7BH

# **POMEROYS RESTAURANTS LIMITED**

## **DIRECTORS' REPORT**

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The directors present their annual report with the financial statements of the company for the 11 month period ended 1 March 1997.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company in the period under review was that of operating restaurants.

### **REVIEW OF THE BUSINESS**

The net profit for the eleven month period after providing for taxation amounted to £13,852.

During the period the company became a member of the Whitbread PLC Group and the company changed its accounting reference date to match theirs. The company made a profit before tax of £22,320.

### **DIVIDENDS**

No dividends were paid during the period and no recommendation is made as to dividends.

### **POLICY ON PAYMENT OF CREDITORS**

The company agrees terms and conditions for business transactions with its suppliers. Payment is then made in accordance with these terms, subject to the terms and conditions being met by the supplier.

### **POST BALANCE SHEET EVENTS**

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in financial years subsequent to the financial period ended 1 March 1997.

### **FUTURE DEVELOPMENTS**

It is expected that the company will continue with its present trade and the directors hope for continued growth and profitability.

### **DIRECTORS AND THEIR INTERESTS**

The directors in office in the period and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

	Number of Shares	
	1997	1996
R Myers	-	-
K E D Jones	-	-
L I Ross	-	-
S J Warner (appointed 20/9/96)	-	-

The directors interests in the shares of the ultimate parent undertaking are shown in the accounts of that company.

## **POMEROYS RESTAURANTS LIMITED**

### **DIRECTORS' REPORT**

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#### **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 as at the end of the financial year 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;
- comply with applicable Accounting Standards, 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 maintaining 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **EMPLOYMENT OF DISABLED PERSONS**

The company's policy is that, wherever it is practicable and reasonable within existing legislation, all employees, including disabled persons, are treated in the same way in matters relating to employment, training, career development and promotion. Every effort is made to retrain and assist any individuals disabled during their employment.

#### **EMPLOYEE INVOLVEMENT**

The board recognises the importance of employees being fully informed of events which directly affect them and their working conditions and to this end regular meetings are held with them. The involvement of employees in the success of the business is further encouraged through participation in the employee share option scheme of the ultimate parent undertaking.

By order of the board

Approved:



Director

30 September 1997

**POMEROYS RESTAURANTS LIMITED**

**AUDITORS' REPORT**

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We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and on the basis of accounting policies set out on pages 8 and 9.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS**

As described in the Directors' Report, 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 as to whether 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.

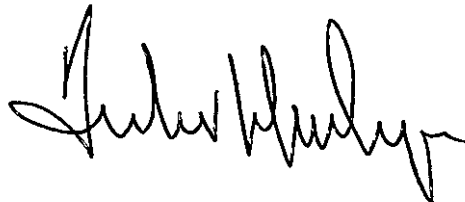
**OPINION**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 1 March 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Mercers Bryant  
Chartered Accountants  
Registered Auditors  
45 Crawford Place  
London W1H 2AD**

1 October 1997



**Binder Hamlyn  
Chartered Accountants  
Registered Auditors  
20 Old Bailey  
London EC4M 7BH**

1 October 1997

**POMEROYS RESTAURANTS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 1 MARCH 1997**

	Notes	1997 £	Restated 1996 £
<b>TURNOVER</b>		255,784	294,884
Cost of sales		(71,038)	(81,611)
<b>GROSS PROFIT</b>		184,746	213,273
Administrative expenses		(162,426)	(164,591)
<b>OPERATING PROFIT</b>	2	22,320	48,682
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		22,320	48,682
Tax on profit on ordinary activities	4	(8,468)	(12,915)
<b>LOSS FOR THE FINANCIAL PERIOD</b>	10	13,852	35,767

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial periods.

*The notes on pages 8 to 12 form part of these financial statements.*

**POMEROYS RESTAURANTS LIMITED**

**STATEMENT OF RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 1 MARCH 1997**

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	<b>1997</b>	<b>Restated 1996</b>
	<b>£</b>	<b>£</b>
Profit for the financial year after taxation	13,852	35,767
Prior year adjustment (as explained in note 10)	(4,363)	-
<b>TOTAL NET GAINS SINCE LAST ANNUAL REPORT</b>	<u>9,489</u>	<u>35,767</u>

**Historical cost**

The difference between the results as disclosed in the profit and loss account before tax, and retained profit for the period, on an unmodified historical cost basis is not material.

*The notes on pages 8 to 12 form part of these financial statements.*

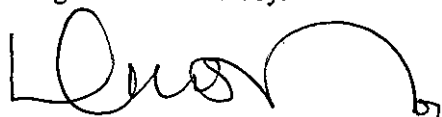


**POMEROYS RESTAURANTS LIMITED**

**BALANCE SHEET  
AT 1 MARCH 1997**

	Notes	£	1997 £	£	Restated 1996 £
<b>FIXED ASSETS</b>					
Tangible assets	5		209,669		216,895
<b>CURRENT ASSETS</b>					
Stocks	6	15,014		14,370	
Cash at bank and in hand		135		134	
		<u>15,149</u>		<u>14,504</u>	
<b>CREDITORS: amounts falling due within one year</b>					
	7	(141,168)		(161,601)	
<b>NET CURRENT LIABILITIES</b>					
			<u>(126,019)</u>		<u>(147,097)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>83,650</u>		<u>69,798</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		120,000		120,000
Profit and loss account	10		<u>(36,350)</u>		<u>(50,202)</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>					
	11		<u>83,650</u>		<u>69,798</u>

The financial statements were approved by the board of directors on 30 September 1997 and signed on its behalf by:



L I Ross  
Director

## **POMEROYS RESTAURANTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 MARCH 1997**

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#### **1. STATEMENT OF ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards.

The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial statements.

**(a) Turnover**

Turnover is the value of goods and services sold to third parties as part of the group's ordinary activities, after deducting sales-based taxes, in the UK.

**(b) Fixed assets**

Freehold and leasehold industrial and office buildings, plant and machinery and vehicles are written off by equal instalments over their estimated useful lives. Leasehold properties, with less than 20 years to run, are amortised over the remaining terms of the leases. The replacement of certain catering and other equipment is charged against operating profit.

While it is the group's policy to depreciate relevant fixed assets, the nature of the trade requires that, in order to protect that trade, premises are maintained in such a state of repair that their residual value is at least equal to their book amounts based on prices prevailing at the date of acquisition or subsequent valuation. In the opinion of the directors, any depreciation of freehold premises and leasehold premises where the lease has 20 or more years to run would not be material. Any permanent diminution in the value of properties below cost is charged to the profit and loss account. Depreciation is not provided on freehold land. The rates of depreciation are as follows:

- Leasehold premises where the lease has 20 or more years to run - nil.
- Leasehold licensed premises where the lease has less than 20 years to run - over the remaining terms of the lease.
- Other plant and machinery - 10% to 33.3%.

Profits and losses on disposal of fixed assets reflect the difference between net selling price and net book value at the date of disposal.

**(c) Stocks**

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

**POMEROYS RESTAURANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 MARCH 1997**

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**1. STATEMENT OF ACCOUNTING POLICIES - (continued)**

**(d) Taxation**

Deferred taxation is recognised under the liability method on all timing differences where it is considered that a liability will crystallise or tax will be recoverable in the foreseeable future. Advance Corporation Tax at the current rate is provided on the proposed final dividend for the year. This will be offset against future Corporation Tax liabilities and is carried forward as a debtor.

**(e) Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rental payments in respect of operating leases are charged against operating profit on a straight line basis over the period of the lease.

**(f) Comparative amounts**

Comparative amounts relate to the year ended 31 March 1996 and are restated where necessary to conform to current presentation.

**(g) Cash flow**

The accounts do not include a cash flow statement because the company is a wholly owned subsidiary of Whitbread Plc., whose consolidated financial statements include a cash flow statement which provides the information required by Financial Reporting Standard 1 "Cash flow statements".

**2. OPERATING PROFIT**

<b>Operating profit is stated:</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>After charging:</b>		
Depreciation of fixed assets	9,875	6,381
Hire of equipment	280	260
Operating lease rentals		
Land and buildings	38,793	40,487

**POMEROYS RESTAURANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 MARCH 1997**

**3. INFORMATION ON DIRECTORS AND EMPLOYEES**

	1997 £	1996 £
<b>Staff costs</b>		
Wages and salaries	61,495	60,233
Social security costs	7,842	5,184
	<u>69,337</u>	<u>65,417</u>
	1997 No.	1996 No.
The average monthly number of employees (including directors) during the year was made up as follows:		
Restaurant	<u>10</u>	<u>10</u>

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1997 £	1996 £
The taxation charge comprises:		
UK corporation tax at 33% (1996 - 33%)	9,000	12,915
Adjustment in respect of prior years	(532)	-
	<u>8,468</u>	<u>12,915</u>

**5. TANGIBLE FIXED ASSETS**

	Retail Property £	Plant and machinery £	Total £
<b>Cost:</b>			
At 1 April 1996	241,456	106,484	347,940
Additions	-	2,649	2,649
At 1 March 1997	<u>241,456</u>	<u>109,133</u>	<u>350,589</u>
<b>Depreciation:</b>			
At 1 April 1996	70,237	60,808	131,045
Charge for period	-	9,875	9,875
At 1 March 1997	<u>70,237</u>	<u>70,683</u>	<u>140,920</u>
<b>Net book value:</b>			
At 1 March 1997	<u>171,219</u>	<u>38,450</u>	<u>209,669</u>
At 1 April 1996	<u>171,219</u>	<u>45,676</u>	<u>216,895</u>

**POMEROYS RESTAURANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 1 MARCH 1997**

**6. STOCKS**

	1997	1996
	£	£
Food, beverages and consumables	15,014	14,370
There is no material difference between the replacement cost of stocks and their balance sheet amounts.		

**7. CREDITORS: amounts falling due within one year**

	1997	1996
	£	£
Amounts owed to subsidiary undertakings	132,168	161,601
Corporation tax	9,000	-
	<u>141,168</u>	<u>161,601</u>

**8. PROVISIONS FOR LIABILITIES AND CHARGES**

	Not provided		Provided	
	1997	1996	1997	1996
	£	£	£	£
Deferred tax is calculated at 33% (1996 - 33%) analysed over the following timing differences:				
On the excess of capital allowances over depreciation	7,231	8,865	-	-
On other timing differences	-	1,440	-	-
	<u>7,231</u>	<u>10,305</u>	<u>-</u>	<u>-</u>

As a result of the high level of expenditure on additions to fixed assets which attract capital allowances, the timing differences between depreciation and taxation allowances are not expected to reverse in the foreseeable future and consequently a provision for deferred taxation is not required.

**9. SHARE CAPITAL**

	1997	1996
	£	£
<b>Authorised:</b>		
Equity interests:		
120,000 Ordinary shares of £1 each	<u>120,000</u>	<u>120,000</u>
<b>Allotted, called up and fully paid:</b>		
Equity interests:		
120,000 Ordinary shares of £1 each	<u>120,000</u>	<u>120,000</u>

# **POMEROYS RESTAURANTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 MARCH 1997**

### **10. PROFIT AND LOSS ACCOUNT**

	1997 £	1996 £
Accumulated losses at 1 April 1996	(45,839)	(85,969)
Prior year adjustments	(4,363)	-
Accumulated losses at 1 April 1996 as restated	(50,202)	(85,969)
Profit for the period	13,852	35,767
Accumulated losses at 1 March 1997	(36,350)	(50,202)

Previously, pre-opening expenditure incurred on new restaurants was capitalised and amortised over a five year period from the date operations commenced. Following the acquisition of The Pelican Group PLC by Whitbread PLC, the accounting policy was changed in order to re-align to the group's accounting policies. Pre-opening expenditure is now written off in the period in which it is incurred.

### **11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1997 £	1996 £
Profit for the financial period	13,852	35,767
Opening shareholders' funds as restated	69,798	34,031
Closing shareholders' funds	83,650	69,798
Represented by:-		
Equity interests	83,650	69,798

### **12. REVENUE COMMITMENTS**

At period end the company was committed to making the following payments during the next year in respect of operating leases with expiry dates as follows:

	Land and buildings		Other	
	1997 £	1996 £	1997 £	1996 £
More than five years	41,000	41,000	-	-

### **13. ULTIMATE PARENT COMPANY**

The ultimate parent company is Whitbread PLC, a company registered in England & Wales. Whitbread PLC is the parent undertaking for the largest and smallest group of which the company is a member for which group accounts are drawn up. Copies of these group accounts are available from Whitbread PLC, Chiswell Street, London EC1Y 4SD.