

Company No: 1934366

PARAMOUNT LTD
FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 26 JUNE 2005



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COMPANIES HOUSE 02/03/2006

PARAMOUNT LTD

DIRECTOR'S REPORT

The directors submit their report and the financial statements for the 52 weeks ended 26 June 2005.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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. The directors 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.

Principal Activity

The principal activity of the Company during the year was the ownership of restaurant businesses.

Directors

The directors of the Company who have served during the period, were:

G A Naggar
N A Basing
I S Neill (resigned 10/08/2005)
D Hudd (resigned 11/05/2005)
N Summers (resigned 11/05/2005)
C Mills
R Elman

PARAMOUNT LTD

DIRECTORS' REPORT continued

There have been no changes in the directors' interests during the year.

The interests of the directors in the ultimate parent company, Craftbutton Ltd, are shown in the accounts of that company.

Auditors

BDO Stoy Hayward LLP, the company's auditors have expressed their willingness to continue in office and a resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

BY ORDER OF THE BOARD

N. BASINK

A handwritten signature in black ink, appearing to be 'N. Basink', written over the printed name.

Director
24 January 2006

Registered Office:
8-10 Grosvenor Gardens
London SW1W 0DH

PARAMOUNT LTD

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF PARAMOUNT LTD

We have audited the financial statements of Paramount Ltd for the 52 weeks ended 26 June 2005 on page 4 to 7 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and considered the implications for our report if we became aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

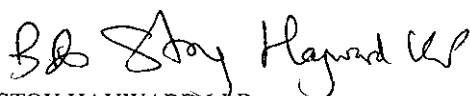
Basis of audit opinion

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, are consistently applied and are 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 26 June 2005 and of its loss for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP
Chartered Accountants and
Registered Auditors
London
24 January 2006

PARAMOUNT LTD**PROFIT AND LOSS ACCOUNT**

| | 52 weeks ended 26 June 2005 | 52 weeks ended 27 June 2004 |
|--|--------------------------------------|--------------------------------------|
| Notes | £'000 | £'000 |
| Turnover | 311 | 312 |
| Cost of sales | - | - |
| | <u>311</u> | <u>312</u> |
| Gross profit | | |
| Administrative expenses: | | |
| Exceptional bid costs | 447 | - |
| Other administrative expenses | 250 | 281 |
| Total administrative expenses | 697 | 281 |
| Other operating income: dividends received | - | 3,500 |
| (Loss)/ Profit on ordinary activities before taxation | <u>(386)</u> | <u>3,531</u> |
| Tax on loss on ordinary activities | - | - |
| (Loss)/Profit on ordinary activities after taxation | (386) | 3,531 |
| Dividends | - | - |
| Sustained (Loss) / Profit for the period | <u>(386)</u> | <u>3,531</u> |

All recognised gains and losses are included in the profit and loss account.
The notes on pages 6 to 7 form part of these financial statements.

PARAMOUNT LTD

BALANCE SHEET

| | | At 26 June 2005 | | At 27 June 2004 | |
|--|-------|-----------------|--------|-----------------|--------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Investments | 2 | | 17,892 | | 17,892 |
| Current assets | | | | | |
| Debtors – amounts due from subsidiary undertakings | | 3,500 | | 3,667 | |
| Cash at bank and in hand | | 238 | | 62 | |
| Current liabilities | | | | | |
| Creditors: amount falling due within one year | 3 | (3,050) | | (2,773) | |
| Net current assets | | | 688 | | 956 |
| Total assets less current liabilities | | | 18,580 | | 18,848 |
| Capital and reserves | | | | | |
| Called up share capital | 4 | | 4,158 | | 4,128 |
| Share premium account | 5 | | 8,033 | | 7,945 |
| Capital reserve | | | 3,446 | | 3,446 |
| Profit and loss account | 5 | | 2,943 | | 3,329 |
| Equity shareholders' funds | 5 | | 18,580 | | 18,848 |

The financial statements were approved by the Board on 24 January 2006

N. BASIN

Director



The notes on pages 6 to 7 form part of these financial statements.

PARAMOUNT LTD**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 26 June 2005****1. Accounting Policies**

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

2. Fixed Asset Investments

| | |
|--|---------------|
| | £'000 |
| Cost of shares in subsidiary undertakings | |
| At 30 June 2004 | 17,892 |
| Provision | |
| At 26 June 2005 | - |
| Net Book Value | |
| At 27 June 2004 | <u>17,892</u> |
| At 26 June 2005 | <u>17,892</u> |

The Company has investments in the following principal subsidiary undertaking:

| | Country of incorporation | Principal activity | Holding | % |
|--|-------------------------------------|---------------------------|-----------------|--------------|
| Groupe Chez Gerard Restaurants Ltd | UK | Restaurant Operator | Ordinary Shares | 100 |
| Paramount Restaurants Ltd | UK | Restaurant Operator | Ordinary Shares | 100 |
| Real Inns Limited | UK | Dormant | Ordinary Shares | 100 |
| | | | £'000 | £'000 |
| Trade creditors | | | 5 | 29 |
| Amount owed to group undertaking | | | 2,911 | 2,696 |
| Other taxation and social security costs | | | 21 | - |
| Accruals and deferred income | | | 113 | 48 |
| | | | <u>3,050</u> | <u>2,773</u> |

4. Share Capital

| | Number | 2005 £'000 | 2004 £'000 |
|--|-------------------|-----------------------|-----------------------|
| Authorised: 135,000,000 Ordinary shares of 5p each | 135,000,000 | 6,750 | 6,750 |
| Allotted, issued and fully paid: Ordinary shares of 5p each | | | |
| At 27 June 2004 | 82,565,573 | 4,128 | 4,128 |
| Issued for cash | 588,235 | 30 | - |
| | <u>83,153,808</u> | <u>4,158</u> | <u>4,128</u> |

5. Reserves and reconciliation of movements in equity shareholder's funds

| | Share Capital | Share Premium Account | Capital Reserve | Profit & Loss Account | Total Shareholders' Funds |
|-------------------------|---------------|-----------------------------|--------------------|--------------------------|---------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 27 June 2004 | 4,128 | 7,945 | 3,446 | 3,329 | 18,848 |
| Shares issued in period | 30 | 88 | - | - | 118 |
| Loss for period | - | - | - | (386) | (386) |
| At 26 June 2005 | <u>4,158</u> | <u>8,033</u> | <u>3,446</u> | <u>2,943</u> | <u>18,580</u> |

6. The Company's ultimate parent company is Craftbutton Ltd. Copies of the group financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.