

Company No: 1934366

PARAMOUNT LIMITED
FINANCIAL STATEMENTS
FOR 52 WEEKS ENDED 25 JUNE 2006



PARAMOUNT LIMITED

FINANCIAL STATEMENTS

for 52 weeks ended 25 June 2006

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PARAMOUNT LIMITED
COMPANY INFORMATION

For the 52 weeks ended 25 June 2006

Number	1934366
Directors	N A Basing R Darwin
Secretary	R Darwin
Registered Office	8-10 Grosvenor Gardens London SW1W 0DH

PARAMOUNT LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 52 weeks ended 25 June 2006.

1 Principal Activity

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

2 Directors

The directors of the Company at 25 June 2006 who served during the period were:

G A Naggar (resigned 28/09/2006)
N A Basing
R Darwin (appointed 29/09/2006)
I S Neill (resigned 28/09/2006)
C Mills (resigned 28/09/2006)
R Elman (resigned 28/09/2006)

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

3 Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward, LLP 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

A handwritten signature in black ink, appearing to read 'R Darwin', with a large, stylized initial 'R'.

Company Secretary
29 January 2007

PARAMOUNT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities for the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 year. 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 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.

PARAMOUNT LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF PARAMOUNT LIMITED

We have audited the financial statements of Paramount Limited for the 52 weeks ended 25 June 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been 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 consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 International Standards on Auditing (UK and Ireland) 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.

PARAMOUNT LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
PARAMOUNT LIMITED (continued)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 25 June 2006 and of the profit for the 52 weeks then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
the information given in the directors' report is consistent with the financial statements.

BDO Stoy Hayward LLP

BDO Stoy Hayward LLP
Chartered Accountants
And Registered Auditors
London
29 January 2007

PARAMOUNT LIMITED**PROFIT AND LOSS ACCOUNT**

		52 weeks ended 25 June 2006	52 weeks ended 26 June 2005
	Notes	£'000	£'000
Turnover		176	311
Cost of sales		-	-
Gross profit		<u>176</u>	<u>311</u>
Administrative expenses		102	697
Profit/(Loss) on ordinary activities before and after taxation		<u>74</u>	<u>(386)</u>

All recognised gains and losses are included in the profit and loss account.

The notes on page 8-9 form part of these financial statements.

PARAMOUNT LIMITED**BALANCE SHEET**

		At 25 June 2006		At 26 June 2005	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investments	2		17,892		17,892
Current assets					
Debtors – amounts due from subsidiary undertakings		3,500		3,500	
Cash at bank and in hand		-		238	
Current liabilities					
Creditors: amount falling due within one year	3	<u>(2,738)</u>		<u>(3,050)</u>	
Net current assets			<u>762</u>		<u>688</u>
Total assets less current liabilities			<u>18,654</u>		<u>18,580</u>
Capital and reserves					
Called up share capital	4		4,158		4,158
Share premium account	5		8,033		8,033
Capital reserve	5		3,446		3,446
Profit and loss account	5		<u>3,017</u>		<u>2,943</u>
Shareholders' funds	6		<u>18,654</u>		<u>18,580</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board and authorised for issue on 29 January 2007



Director

The notes on page 8-9 form part of these financial statements.

PARAMOUNT LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR 52 WEEKS ENDED 25 June 2006****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 26 June 2005 and 25 June 2006	<u>17,892</u>

The Company has investments in the following principal subsidiary undertaking:

	Country of incorporation	Principal activity	Holding	%
Groupe Chez Gerard Restaurants Limited	UK	Restaurant Operator	Ordinary Shares	100
Paramount Restaurants Limited	UK	Restaurant Operator	Ordinary Shares	100
Real Inns Limited	UK	Dormant	Ordinary Shares	100

3. Creditors due within one year

	£'000	£'000
Trade creditors	-	5
Amount owed to group understaking	2,622	2,911
Other taxation and social security costs	21	21
Accruals and deferred income	95	113
	<u>2,738</u>	<u>3,050</u>

4. Share Capital

	2006 Number	2005 Number	2006 £'000	2005 £'000
Authorised: 135,000,000 Ordinary shares of 5p each	135,000,000	135,000,000	6,750	6,750
Allotted, issued and fully paid: Ordinary shares of 5p each	83,153,808	82,565,573	4,158	4,128
Issued for cash	-	588,235	-	30
	<u>83,153,808</u>	<u>83,153,808</u>	<u>4,158</u>	<u>4,158</u>

5. Reserves

	Share Capital	Share Premium Account	Capital Reserve	Profit & Loss Account
	£'000	£'000	£'000	£'000
At 26 June 2005	4,158	8,033	3,446	2,943
Shares issued in period	-	-	-	-
Loss for period	-	-	-	74
At 25 June 2006	<u>4,158</u>	<u>8,033</u>	<u>3,446</u>	<u>3,017</u>

PARAMOUNT LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR 52 WEEKS ENDED 25 June 2006****6. Reconciliation of movements in shareholders' funds**

	2006	2005
	£'000	£'000
Profit for the year	74	(386)
Shares issued in the year		118
Net additions to shareholders' funds	74	(268)
Opening shareholders' funds	18,580	18,848
Closing shareholders' funds	18,654	18,580

7. Ultimate parent company

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