

Company Registration No. 2034313 (England and Wales)

KAYKEM FAST FOODS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2001



KAYKEM FAST FOODS LIMITED

COMPANY INFORMATION

Directors	Mr K Ahmet Mrs B Ahmet
Secretary	Mrs B Ahmet
Company number	2034313
Registered office	11B High Road Colchester Essex CO1 1DA
Auditors	Munir Tatar & Associates 32 Willoughby Road London N8 OJG
Business address	11B High Road Colchester Essex CO1 1DA
Bankers	National Westminster Bank Plc 25 High Street Colchester Essex CO1 1DG
Solicitors	Ellison & Co,Solicitors Headgate Court, Head Street, Colchester Essex CO1 1NP

KAYKEM FAST FOODS LIMITED

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KAYKEM FAST FOODS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2001

The directors present their report and audited financial statements for the year ended 31 August 2001.

Principal activities

The principal activity of the company during the year was to carry on the business as caterers. The directors consider the results for the year and the financial position at the end of the year to be satisfactory.

Directors

The following directors have held office since 1 September 2000:

Mr K Ahmet
Mrs B Ahmet

Directors' interests

The interests of the directors at the balance sheet date and at the beginning of the year were as follows:

	Ordinary shares of £ 1 each	
	31 August 2001	1 September 2000
Mr K Ahmet	500	500
Mrs B Ahmet	500	500

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Munir Tatar & Associates be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

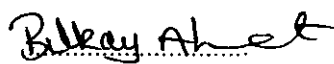
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



Mrs B Ahmet

Director

09.5.02.

KAYKEM FAST FOODS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF KAYKEM FAST FOODS LIMITED

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Respective responsibilities of directors and auditors

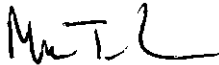
As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Munir Tatar & Associates

Chartered Certified Accountants
Registered Auditor

12/05/02

32 Willoughby Road
London
N8 OJG

KAYKEM FAST FOODS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2001

	Notes	2001 £	2000 £
Turnover		2,522,029	2,603,080
Cost of sales		(687,632)	(721,343)
Gross profit		1,834,397	1,881,737
Distribution costs		(927,210)	(894,717)
Administrative expenses		(475,338)	(485,351)
Other operating income		20,164	-
Operating profit	2	452,013	501,669
Investment income	3	790	2,118
Other interest receivable and similar income		13,328	6,314
Interest payable and similar charges		(66,933)	(78,634)
Profit on ordinary activities before taxation		399,198	431,467
Tax on profit on ordinary activities	4	(84,897)	(95,642)
Profit on ordinary activities after taxation		314,301	335,825
Dividends		(26,000)	(33,829)
Retained profit for the year	14	288,301	301,996


KAYKEM FAST FOODS LIMITED

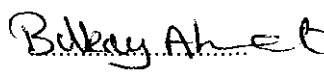
BALANCE SHEET AS AT 31 AUGUST 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Intangible assets	5		83,728		89,010
Tangible assets	6		3,617,721		1,881,764
Investments	7		162,093		162,093
			<u>3,863,542</u>		<u>2,132,867</u>
Current assets					
Stocks			13,423		19,870
Debtors	8		27,565		24,441
Investments	9		88,850		87,017
Cash at bank and in hand			355,714		282,928
			<u>485,552</u>		<u>414,256</u>
Creditors: amounts falling due within one year	10		<u>(693,932)</u>		<u>(522,511)</u>
Net current liabilities			<u>(208,380)</u>		<u>(108,255)</u>
Total assets less current liabilities			3,655,162		2,024,612
Creditors: amounts falling due after more than one year	11		<u>(1,876,552)</u>		<u>(534,302)</u>
			<u>1,778,610</u>		<u>1,490,310</u>
Capital and reserves					
Called up share capital	13		1,000		1,000
Profit and loss account	14		1,777,610		1,489,310
Shareholders' funds			<u>1,778,610</u>		<u>1,490,310</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 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 9/05/02


Mr K Ahmet
Director


Mrs B Ahmet
Director

KAYKEM FAST FOODS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2001

	2001 £	2000 £
Operating profit	452,013	501,669
Reconciliation to cash generated from operations:		
Depreciation of tangible assets	72,130	68,474
Amortisation of intangible assets	5,282	6,069
Profit on disposal of tangible assets	(1,541)	-
Decrease/(increase) in stocks	6,447	(6,032)
(Increase)/decrease in debtors	(3,124)	3,231
Increase in creditors within one year	25,066	54,585
Cash generated from operations	556,273	627,996
Cash from other sources		
Interest received	13,328	6,314
Dividends received	790	2,118
	14,118	8,432
Application of cash		
Interest paid	(53,194)	(75,968)
Interest element of finance lease rentals	-	(2,666)
Tax paid	(95,326)	(38,250)
Receipts from sales of tangible assets	21,000	-
Dividends paid	(26,000)	(33,829)
Current asset investments	(1,833)	(87,017)
New long term bank loan	1,655,839	903,410
Repayment of long term bank loan	(536,550)	(997,877)
Capital element of hire purchase contracts	(12,919)	(27,531)
	951,017	(359,728)
Net increase in cash	1,521,408	276,700
Cash at bank and in hand less overdrafts at beginning of year	282,928	272,552
Cash at bank and in hand less overdrafts at end of year	355,714	282,928
Consisting of:		
Cash at bank and in hand	355,714	282,928
	355,714	282,928
Major non-cash transactions		
Depreciation	£77412 (2000: £74543)	

KAYKEM FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Nil
Land and buildings Leasehold	Nil
Plant and machinery	15% Reducing balance
Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

No depreciation is provided in respect of freehold and leasehold land and buildings as it is company's policy to maintain these assets in a continual state of sound repair and accordingly the directors consider that the lives of these assets are so long and residual values so high, based on prices prevailing at the time of acquisition, that their depreciation is insignificant. However, any permanent diminution in the value of such properties below cost is charged to the profit and loss account as appropriate.

1.5 Investments

Investments are stated at cost.

2	Operating profit	2001 £	2000 £
	Operating profit is stated after charging:		
	Amortisation of intangible assets	5,282	6,069
	Depreciation of tangible assets	72,130	68,474
	Auditors' remuneration	4,875	4,750
	Directors' emoluments	55,921	50,484
		<hr/>	<hr/>
3	Investment income	2001 £	2000 £
	Income from listed investments	790	2,118
		<hr/>	<hr/>

KAYKEM FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

4	Taxation	2001	2000
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 30% (2000 - 30%)	85,527	95,680
	Prior years		
	U.K. corporation tax	(630)	(38)
		<u>84,897</u>	<u>95,642</u>
5	Intangible fixed assets		Goodwill
			£
	Cost		
	At 1 September 2000 & at 31 August 2001		<u>105,643</u>
	Amortisation		
	At 1 September 2000		16,633
	Charge for year		<u>5,282</u>
	At 31 August 2001		<u>21,915</u>
	Net book value		
	At 31 August 2001		<u>83,728</u>
	At 31 August 2000		<u>89,010</u>

KAYKEM FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

6 Tangible fixed assets

	Land and buildings	Other tangible fixed assets	Total
	£	£	£
Cost			
At 1 September 2000	1,527,384	719,560	2,246,944
Additions	1,734,412	93,133	1,827,545
Disposals	-	(34,804)	(34,804)
At 31 August 2001	3,261,796	777,889	4,039,685
Depreciation			
At 1 September 2000	-	365,179	365,179
On disposals	-	(15,345)	(15,345)
Charge for the year	-	72,130	72,130
At 31 August 2001	-	421,964	421,964
Net book value			
At 31 August 2001	3,261,796	355,925	3,617,721
At 31 August 2000	1,527,383	354,381	1,881,764

The net book value of other tangible fixed assets includes £47,332 (2000 - £-) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £15,844 (2000 - £-) for the year.

The additions to land and building include the purchase of the freehold property at 37/41 High Street, Southend, Essex at a total cost of £161,9205 and the purchase of the freehold property at 4 Rawstorn Road, Colchester, Essex at a total cost of £109,754. The net book value of land and buildings represents : Freehold £2,688,471 (2000:£959,512) and Short leasehold £573,325 (2000:£567,871)

7 Fixed asset investments

	Listed investments	Unlisted investments	Total
	£	£	£
Cost			
At 1 September 2000 & at 31 August 2001	50,000	112,093	162,093

The listed investments represent the cost of 50000 ordinary shares in Dragon Oil Plc registered in Dublin, Ireland. The unlisted investments represent cost of vintage cars amounting to £102093 and 10000 Ordinary shares in Pupil Line Limited, a private company, market value of which could not be determined in the absence of a proper market.

KAYKEM FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

8 Debtors	2001	2000
	£	£
Other debtors	27,565	24,441
9 Current asset investments	2001	2000
	£	£
Other investments	88,850	87,017
Market valuation of listed investments	36,850	60,100
10 Creditors: amounts falling due within one year	2001	2000
	£	£
Bank loans and overdrafts	336,247	204,369
Net obligations under finance leases and hire purchase contracts	11,167	-
Trade creditors	120,006	78,124
Taxation and social security	178,825	200,178
Other creditors	47,687	39,840
	693,932	522,511

The loans are secured by a fixed and floating charge over the assets of the company.

KAYKEM FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2001

11 Creditors: amounts falling due after more than one year	2001 £	2000 £
Bank loans	1,854,747	534,302
Net obligations under finance leases and hire purchase contracts	21,805	-
	<u>1,876,552</u>	<u>534,302</u>
Analysis of loans		
Wholly repayable within five years	2,190,994	738,671
Included in current liabilities	(336,247)	(204,369)
	<u>1,854,747</u>	<u>534,302</u>

The loans are secured as follows:- Mortgage debenture dated 24.11.94 over fixed and floating assets: Legal mortgage dated 9.6.95 over Burger King and Drive Thru unit , Copdock Mill, Copdock, Ipswich: Legal mortgage dated 9.2.87 over 11B High Street, Colchester: Legal mortgage dated 19.7.2000 over Freeport Designer Outlet Village, Chapel Hill, Braintree, Essex: Legal mortgage over 37/31 High Street, Southend, Essex: Legal mortgage over 4 Rawstorn Road, Colchester, Essex.

12 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £11375 (2000 £11375) . All contributions were paid during the year.

13 Share capital	2001 £	2000 £
Authorised		
1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 September 2000	1,489,309
Retained profit for the year	<u>288,301</u>
Balance at 31 August 2001	<u>1,777,610</u>