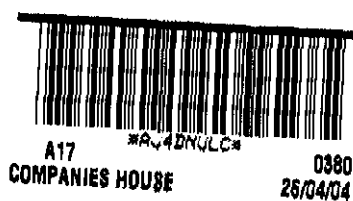


Company Registration No. 2034313 (England and Wales)

KAYKEM FAST FOODS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003



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 0JG |
| Business address | 11B High Road Colchester Essex CO1 1DA |
| 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 2003

The directors present their report and audited financial statements for the year ended 31 August 2003..

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 2002:

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 2003 | 1 September 2002 |
| 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

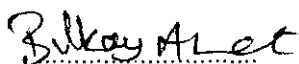
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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

15/09/03

KAYKEM FAST FOODS LIMITED

INDEPENDENT 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 consider the implications for our report if we become aware of any apparent misstatements within it.


Basis of audit opinion

We conducted our audit with United Kingdom Auditing Standards issued by 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 judgments 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.

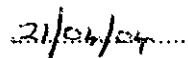
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 as at 31 August 2003 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



KAYKEM FAST FOODS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2003

| | Notes | 2003 £ | 2002 £ |
|--|-----------|------------------|------------------|
| Turnover | | 2,615,963 | 2,466,249 |
| Cost of sales | | (724,536) | (694,389) |
| Gross profit | | 1,891,427 | 1,771,860 |
| Distribution costs | | (1,085,247) | (971,588) |
| Administrative expenses | | (493,988) | (524,709) |
| Other operating income | | 147,667 | 127,500 |
| Operating profit | 2 | 459,859 | 403,063 |
| Investment income | 3 | 1,209 | 723 |
| Other interest receivable and similar income | | 4,401 | 8,809 |
| Interest payable and similar charges | | (125,732) | (127,609) |
| Profit on ordinary activities before taxation | | 339,737 | 284,986 |
| Tax on profit on ordinary activities | 4 | (74,751) | (68,021) |
| Profit on ordinary activities after taxation | | 264,986 | 216,965 |
| Dividends | | (10,500) | (13,800) |
| Retained profit for the year | 14 | 254,486 | 203,165 |

KAYKEM FAST FOODS LIMITED

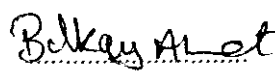
BALANCE SHEET AS AT 31 AUGUST 2003

| | Notes | 2003 £ | £ | 2002 £ | £ |
|--|-------|-----------|--------------------|-----------|--------------------|
| Fixed assets | | | | | |
| Intangible assets | 5 | | 73,163 | | 78,445 |
| Tangible assets | 6 | | 4,506,401 | | 3,597,212 |
| Investments | 7 | | 177,093 | | 162,093 |
| | | | <u>4,756,657</u> | | <u>3,837,750</u> |
| Current assets | | | | | |
| Stocks | | | 11,116 | | 17,348 |
| Debtors | 8 | | 38,186 | | 51,214 |
| Investments | 9 | | 89,159 | | 88,850 |
| Cash at bank and in hand | | | 214,550 | | 317,182 |
| | | | <u>353,011</u> | | <u>474,594</u> |
| Creditors: amounts falling due within one year | 10 | | <u>(754,300)</u> | | <u>(680,746)</u> |
| Net current liabilities | | | <u>(401,289)</u> | | <u>(206,152)</u> |
| Total assets less current liabilities | | | 4,355,368 | | 3,631,598 |
| Creditors: amounts falling due after more than one year | 11 | | <u>(2,119,108)</u> | | <u>(1,649,824)</u> |
| | | | <u>2,236,260</u> | | <u>1,981,774</u> |
| Capital and reserves | | | | | |
| Called up share capital | 13 | | 1,000 | | 1,000 |
| Profit and loss account | 14 | | 2,235,260 | | 1,980,774 |
| Shareholders' funds | | | <u>2,236,260</u> | | <u>1,981,774</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 June 2002).

The financial statements were approved by the Board on 19/04/04....


Mr K Ahmet
Director


Mrs B Ahmet
Director

KAYKEM FAST FOODS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2003

| | 2003 £ | 2002 £ |
|--|------------------------|-----------|
| Operating profit | 459,859 | 403,063 |
| Depreciation of tangible assets | 57,442 | 68,506 |
| Amortisation of intangible assets | 5,282 | 5,282 |
| Decrease/(increase) in stocks | 6,232 | (3,925) |
| Decrease/(increase) in debtors | 13,028 | (23,649) |
| (Decrease)/Increase in creditors within one year | (65,602) | (12,273) |
| Cash generated from operations | 476,241 | 437,004 |
| Cash from other sources | | |
| Interest received | 4,401 | 8,809 |
| Dividends received | 1,209 | 723 |
| Receipts from sales of tangible assets | 324,074 | - |
| New long term bank loan | 948,384 | 131,854 |
| | 1,278,068 | 141,386 |
| Application of cash | | |
| Interest paid | 93,972 | 101,552 |
| Tax paid | 57,977 | 95,295 |
| Payments to acquire tangible assets | 1,290,705 | 49,520 |
| Payments to acquire investments | 15,000 | - |
| Dividends paid | 10,500 | 13,800 |
| Current asset investments | 309 | - |
| Repayment of long term bank loan | 391,093 | 343,898 |
| Capital element of hire purchase contracts | 9,291 | 12,857 |
| | (1,868,847) | (616,922) |
| Net decrease in cash | (114,538) | (38,532) |
| Cash at bank and in hand less overdrafts at beginning of year | 317,182 | 355,714 |
| Cash at bank and in hand less overdrafts at end of year | 202,644 | 317,182 |
| Consisting of: | | |
| Cash at bank and in hand | 214,550 | 317,182 |
| Bank overdrafts | (11,906) | - |
| | 202,644 | 317,182 |
| Major non-cash transactions | | |
| Depreciation | £62724 (2002: £73788) | |

KAYKEM FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2003

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 June 2002).

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 | 2003 | 2002 |
| | £ | £ |
| Operating profit is stated after charging: | | |
| Amortisation of intangible assets | 5,282 | 5,282 |
| Depreciation of tangible assets | 57,442 | 68,506 |
| Auditors' remuneration | 6,000 | 6,000 |
| Directors' emoluments | 67,269 | 62,570 |
| | <u> </u> | <u> </u> |
| 3 Investment income | 2003 | 2002 |
| | £ | £ |
| Income from listed investments | 1,209 | 723 |
| | <u> </u> | <u> </u> |

KAYKEM FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2003

| 4 | Taxation | 2003 | 2002 |
|---|---|--------|-----------------|
| | | £ | £ |
| | Domestic current year tax | | |
| | U.K. corporation tax | 74,751 | 57,977 |
| | Adjustment for prior years | - | 10,044 |
| | | <hr/> | <hr/> |
| | Current tax charge | 74,751 | 68,021 |
| | | <hr/> | <hr/> |
| 5 | Intangible fixed assets | | Goodwill |
| | | | £ |
| | Cost | | |
| | At 1 September 2002 & at 31 August 2003 | | 105,643 |
| | | | <hr/> |
| | Amortisation | | |
| | At 1 September 2002 | | 27,198 |
| | Charge for the year | | 5,282 |
| | | | <hr/> |
| | At 31 August 2003 | | 32,480 |
| | | | <hr/> |
| | Net book value | | |
| | At 31 August 2003 | | 73,163 |
| | | | <hr/> |
| | At 31 August 2002 | | 78,445 |
| | | | <hr/> |

KAYKEM FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2003

6 Tangible fixed assets

| | Land and buildings | Other tangible fixed assets | Total |
|-----------------------|-----------------------|-----------------------------------|-----------|
| | £ | £ | £ |
| Cost | | | |
| At 1 September 2002 | 3,261,796 | 825,885 | 4,087,681 |
| Additions | 1,282,768 | 7,937 | 1,290,705 |
| Disposals | (324,074) | - | (324,074) |
| At 31 August 2003 | 4,220,490 | 833,822 | 5,054,312 |
| Depreciation | | | |
| At 1 September 2002 | - | 490,469 | 490,469 |
| Charge for the year | - | 57,442 | 57,442 |
| At 31 August 2003 | - | 547,911 | 547,911 |
| Net book value | | | |
| At 31 August 2003 | 4,220,490 | 285,911 | 4,506,401 |
| At 31 August 2002 | 3,261,796 | 335,416 | 3,597,212 |

The net book value of other tangible fixed assets includes £26,624 (2002- £35,499) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £8,875 (2002- £11,833) for the year.

On 17 January 2003, the company purchased the freehold interest in respect of the leasehold property at 11B High Street, Colchester, Essex.

The net book value of land and building represents: Freehold £3,971,239 (2002:£2,688,471) and Short leasehold £249,251 (2002:£573,325).

KAYKEM FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2003

7 Fixed asset investments

| | Listed investments £ | Unlisted investments £ | Total £ |
|---------------------|----------------------------|---------------------------------------|--------------------|
| Cost | | | |
| At 1 September 2002 | 50,000 | 112,093 | 162,093 |
| Additions | - | 15,000 | 15,000 |
| | <u>50,000</u> | <u>127,093</u> | <u>177,093</u> |
| At 31 August 2003 | <u>50,000</u> | <u>127,093</u> | <u>177,093</u> |
| | Market value £ | Directors' valuation £ | Total £ |
| At 31 August 2003 | 12,500 | 85,000 | 97,500 |
| | <u>8,000</u> | <u>61,000</u> | <u>69,000</u> |
| At 31 August 2002 | <u>8,000</u> | <u>61,000</u> | <u>69,000</u> |

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, cost of 10000 ordinary shares in Pupil line Limited, a private company, amounting to £10000 and the cost of 7500 ordinary shares in SilverCandy Ltd. a private company, amounting to £15000.

| 8 Debtors | 2003 £ | 2002 £ |
|--|---------------|---------------|
| Other debtors and prepayments | 38,186 | 51,214 |
| | <u>38,186</u> | <u>51,214</u> |
| 9 Current asset investments | 2003 £ | 2002 £ |
| Other listed investments | 89,159 | 88,850 |
| | <u>89,159</u> | <u>88,850</u> |
| Market valuation of listed investments | 43,414 | 28,183 |
| | <u>43,414</u> | <u>28,183</u> |

KAYKEM FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2003

| 10 Creditors: amounts falling due within one year | 2003 £ | 2002 £ |
|--|------------------|------------------|
| Bank loans and overdrafts | 428,076 | 337,341 |
| Net obligations under hire purchase contracts | 10,264 | 10,377 |
| Trade creditors | 59,444 | 108,238 |
| Taxation and social security | 196,645 | 161,694 |
| Other creditors and accruals | 59,871 | 63,096 |
| | <u>754,300</u> | <u>680,746</u> |
| 11 Creditors: amounts falling due after more than one year | 2003 £ | 2002 £ |
| Bank loans | 2,533,028 | 1,638,396 |
| Net obligations under hire purchase contracts | (413,920) | 11,428 |
| | <u>2,119,108</u> | <u>1,649,824</u> |
| Analysis of loans | | |
| Wholly repayable within five years | 2,949,198 | 1,975,737 |
| Included in current liabilities | (416,170) | (337,341) |
| | <u>2,533,028</u> | <u>1,638,396</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: Legal mortgage dated 12th December 2002 over Freehold property known as 11b High street, Colchester, Essex: Guarantee dated 24 July 2003 covering the liabilities of Silvercandy Limited.

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 £12864 (2002 £11375) . All contributions were paid during the year.

KAYKEM FAST FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2003

| 13 | Share capital | 2003 £ | 2002 £ |
|----|---|-------------------|-------------------|
| | Authorised | | |
| | 1,000 Ordinary shares of £1 each | 1,000 | 1,000 |
| | | <u> </u> | <u> </u> |
| | Allotted, called up and fully paid | | |
| | 1,000 Ordinary shares of £1 each | 1,000 | 1,000 |
| | | <u> </u> | <u> </u> |

14 Statement of movements on profit and loss account

| | Profit and loss account £ |
|------------------------------|------------------------------------|
| Balance at 1 September 2002 | 1,980,774 |
| Retained profit for the year | 254,486 |
| | <u> </u> |
| Balance at 31 August 2003 | 2,235,260 |
| | <u> </u> |

15 Related party transactions

During the year the company acquired 7500 shares in SilverCandy Ltd, a private company, for £15000. The investment represents 12.5% of the total issued share capital. The remaining 87.5% of the share capital is owned by a relative of the directors. There were no other transactions with this company during the year.