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J. R. Restaurants Limited

Report and Financial Statements

31 December 1995



J. R. Restaurants Limited

Registered No. 2228650

DIRECTORS

J P G Naylor (Chairman)

J D Wittich

SECRETARY

J D Wittich

AUDITORS

Ernst & Young

Rolls House

7 Rolls Buildings

Fetter Lane

London EC4A 1NH

REGISTERED OFFICE

122 Victoria Street

London SW1E 5LG

DIRECTORS' REPORT

The directors present their report and financial statements for the 52 weeks ended 31 December 1995. Comparative figures are for the 52 weeks ended 1 January 1995.

RESULTS AND DIVIDENDS

The company's loss after taxation was £28,949. The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is the operation of a restaurant.

FIXED ASSETS

Details of the movements in tangible fixed assets are set out in note 6 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors during the period were as follows:

J P G Naylor

J D Wittich

N I Mandell (resigned 21 February 1995)

The interests of the directors in the shares of the company were as follows:

	<i>At 31 December 1995</i>	<i>At 1 January 1995</i>
N I Mandell (resigned 21 February 1995)	—	7

J P G Naylor's interests in the share capital of the ultimate parent undertaking, City Centre Restaurants plc are disclosed in the financial statements of that company. J D Wittich held no interests in the shares of the City Centre Restaurants plc at 31 December 1995.

DONATIONS

No donations for charitable or political purposes were made during the year (1 January 1995 - £nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS (continued)

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.

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board



J D Wittich

Secretary

3 May 1996

REPORT OF THE AUDITORS

to the members of J. R. Restaurants Limited

We have audited the financial statements on pages 5 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on pages 2 and 3 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

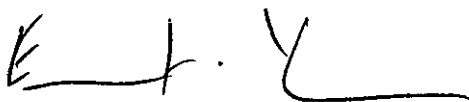
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 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 December 1995 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Chartered Accountants
Registered Auditor
London
3 May 1996

A handwritten signature in black ink, appearing to be 'E. Y.', written over a horizontal line.

J. R. Restaurants Limited

PROFIT AND LOSS ACCOUNT

for the 52 weeks ended 31 December 1995

		<i>52 weeks ended 31 December 1995 £</i>	<i>52 weeks ended 1 January 1995 £</i>
Notes			
TURNOVER	2	486,905	522,018
Cost of sales		(521,252)	(532,764)
GROSS LOSS		(34,347)	(10,746)
Administrative expenses		(2,993)	(4,757)
OPERATING LOSS	3	(37,340)	(15,503)
Interest payable		—	—
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(37,340)	(15,503)
Tax credit on loss on ordinary activities	5	8,391	1,185
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	11	(28,949)	(14,318)
Retained loss at beginning of period		(265,105)	(250,787)
RETAINED LOSS AT END OF PERIOD		(294,054)	(265,105)

There are no recognised gains or losses other than the loss for the period.

The reconciliation of shareholders' funds and movements on reserves are shown in note 11.

J. R. Restaurants Limited

BALANCE SHEET

at 31 December 1995

	<i>Notes</i>	<i>31 December 1995 £</i>	<i>1 January 1995 £</i>
FIXED ASSETS			
Tangible assets	6	397,118	423,706
CURRENT ASSETS			
Stocks		5,375	2,424
Debtors	7	5,754	5,858
Cash		500	500
		11,629	8,782
CREDITORS: amounts falling due within one year	8	(667,702)	(663,686)
NET CURRENT LIABILITIES		(656,073)	(654,904)
TOTAL ASSETS LESS CURRENT LIABILITIES		(258,955)	(231,198)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	9	(34,999)	(33,807)
		(293,954)	(265,005)
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	(294,054)	(265,105)
		(293,954)	(265,005)

Approved by the board of directors on 3 May 1996



J D Wittich

Director

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1995

1. ACCOUNTING POLICIES

Accounting convention

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

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation calculated to write off the cost less residual values on the straight line basis over their estimated useful lives, at the following annual rates:

Short leasehold property	-	amortised over unexpired term of the lease
Fixtures, fittings and equipment	-	10 to 20%
Motor vehicles	-	25%

Stocks

Stocks which consist of raw materials and consumables, are valued at the lower of cost and net realisable value.

Leasing

Assets held under operating leases are not reported in the balance sheet, the rentals due under such leases being charged to profit and loss account.

Deferred tax

Deferred tax is provided on the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that tax will be payable.

2. TURNOVER

Turnover represents amounts received and receivable for services and goods provided in the United Kingdom (excluding value added tax).

3. OPERATING LOSS

This is stated after charging:

	<i>52 weeks ended 31 December 1995 £</i>	<i>52 weeks ended 1 January 1995 £</i>
Auditors' remuneration		
- audit	1,000	1,000
- non-audit	1,900	4,225
Operating lease rentals - land and buildings	90,000	90,000
Depreciation	27,223	27,159
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J. R. Restaurants Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1995

4. STAFF COSTS

	<i>52 weeks ended 31 December 1995 £</i>	<i>52 weeks ended 1 January 1995 £</i>
Wages and salaries including directors' salaries	131,263	140,734
Social security costs	8,820	10,621
	<u>140,083</u>	<u>151,355</u>

The average weekly number of employees for the period was 16 (1 January 1995 - 13).

The directors received no remuneration for services to the company this period (1994 - £Nil).

Directors' remuneration fell within the following range:

	<i>52 weeks ended 31 December 1995 No.</i>	<i>52 weeks ended 1 January 1995 No.</i>
£nil - £5,000	<u>2</u>	<u>5</u>

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	<i>52 weeks ended 31 December 1995 £</i>	<i>52 weeks ended 1 January 1995 £</i>
Corporation tax - based on the loss for the period at 33% (1994 - 33%)	-	-
Group relief surrendered to fellow subsidiary undertaking	9,583	4,655
Deferred tax	(1,192)	(3,470)
Net taxation benefit	<u>8,391</u>	<u>1,185</u>

J. R. Restaurants Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1995

6. TANGIBLE FIXED ASSETS

	<i>Short leasehold property</i>	<i>Fixtures, equipment and vehicles</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 January 1995	429,761	101,313	531,074
Additions	—	635	635
At 31 December 1995	429,761	101,948	531,709
Depreciation:			
At 1 January 1995	69,378	37,990	107,368
Provided during the period	17,438	9,785	27,223
At 31 December 1995	86,816	47,775	134,591
Net book values:			
At 31 December 1995	342,945	54,173	397,118
At 1 January 1995	360,383	63,323	423,706

The fixed assets are subject to a mortgage and the other assets are subject to a floating charge in favour of City Centre Restaurants plc, the parent undertaking, as security against any amounts owed to that company.

7. DEBTORS: amounts falling due within one year

	<i>31 December 1995</i>	<i>1 January 1995</i>
	£	£
Prepayments	5,754	5,858

8. CREDITORS: amounts falling due within one year

	<i>31 December 1995</i>	<i>1 January 1995</i>
	£	£
Amounts owed to parent undertaking (see note 14)	663,792	659,652
Accruals	3,910	4,034
	667,702	663,686

9. DEFERRED TAXATION

	<i>31 December 1995</i>	<i>1 January 1995</i>
	£	£
Provided in full at 33%:		
Accelerated capital allowances	34,999	33,807

J. R. Restaurants Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 1995

10. CALLED UP SHARE CAPITAL

	<i>31 December</i>	<i>Authorised</i>	<i>31 December</i>	<i>Allotted, called</i>
	<i>1995</i>	<i>1 January</i>	<i>1995</i>	<i>up and fully paid</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>1 January</i>
				<i>1995</i>
				<i>£</i>
£1 ordinary shares	1,000	1,000	100	100

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share</i>	<i>Profit and</i>	<i>Total</i>
	<i>capital</i>	<i>loss account</i>	
	<i>£</i>	<i>£</i>	<i>£</i>
At 1 January 1995	100	(265,105)	(265,005)
Loss for the year	-	(28,949)	(28,949)
At 31 December 1995	100	(294,054)	(293,954)

12. LEASE COMMITMENTS

The minimum rentals payable under operating leases in respect of the next year are as follows:

	<i>31 December</i>	<i>1 January</i>
	<i>1995</i>	<i>1995</i>
	<i>£</i>	<i>£</i>
Land and buildings - lease expiring after five years	90,000	90,000

13. ULTIMATE HOLDING COMPANY

City Centre Restaurants plc, which is registered in Great Britain (Registered No. 30343) is the immediate and ultimate holding company and is the parent undertaking of the smallest and largest group for which group financial statements are prepared.

Copies of the group financial statements of City Centre Restaurants plc can be obtained from the Secretary at 122 Victoria Street, London, SW1E 5LG.

14. PARENT UNDERTAKING SUPPORT

City Centre Restaurants plc has confirmed its intention to make available sufficient funds to enable the company to meet its debts as and when they fall due.