

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

ERNST & YOUNG



J. R. Restaurants Limited

DIRECTORS' REPORT

The directors present their report and accounts for the 52 weeks ended 1 January 1995. Comparative figures are for the 52 weeks ended 2 January 1994.

RESULTS AND DIVIDENDS

The company's loss after taxation was £14,318 (2 January 1994 - £63,950). 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 the notes to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors during the period were as follows:

J P G Naylor (Chairman)

N I Mandell (resigned 21 February 1995)

P Kaye (resigned 30 June 1994)

P Golding (resigned 19 December 1994)

J D Wittich (appointed 30 June 1994)

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

	<i>At 9 May 1995</i>	<i>At 1 January 1995</i>	<i>At 2 January 1994</i>
P Golding	-	-	18
N I Mandell	-	7	7

J P G Naylor's interests in the share capital of the ultimate parent undertaking, City Centre Restaurants plc are disclosed in the accounts of that company.

The interests of J D Wittich in the shares of the City Centre Restaurants plc, all being beneficially owned, were as follows:

	<i>As at 1 January 1995</i>
Ordinary shares of 25p each	-

Options granted to J D Wittich to purchase shares in City Centre Restaurants plc were as follows:

<i>Date of grant</i>	<i>At 1 January 1995</i>	<i>Option price</i>
14 October 1988	52.0p	200,000

Options are normally exercisable between three and ten years from the date of the grant.

DIRECTORS' REPORT

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

9 May 1995

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the members of J. R. Restaurants Limited

We have audited the accounts on pages 6 to 13, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

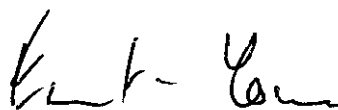
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 1 January 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Chartered Accountants
Registered Auditor
London
9 May 1995



J. R. Restaurants Limited

PROFIT AND LOSS ACCOUNT

for the 52 weeks ended 1 January 1995

	<i>Notes</i>	<i>52 weeks ended 1 January 1995 £</i>	<i>52 weeks ended 2 January 1994 £</i>
TURNOVER	2	522,018	526,555
Cost of sales		(532,764)	(515,069)
GROSS PROFIT		(10,746)	11,486
Administrative expenses		(4,757)	(47,391)
OPERATING LOSS	3	(15,503)	(35,905)
Interest payable	5	—	(53,700)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(15,503)	(89,605)
Tax on loss on ordinary activities	6	1,185	25,655
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(14,318)	(63,950)
Retained loss at beginning of period	13	(250,787)	(186,837)
RETAINED LOSS AT END OF PERIOD		(265,105)	(250,787)

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

The reconciliation of shareholders' funds and movements on reserves are shown in note 13.

J. R. Restaurants Limited

BALANCE SHEET

at 1 January 1995

	Notes	1 January 1995 £	2 January 1994 £
FIXED ASSETS			
Tangible assets	7	423,706	445,180
CURRENT ASSETS			
Stocks	8	2,424	4,872
Debtors	9	5,858	6,154
Cash		500	500
		8,782	11,526
CREDITORS: amounts falling due within one year	10	(663,686)	(677,056)
NET CURRENT LIABILITIES		(654,904)	(665,530)
TOTAL ASSETS LESS CURRENT LIABILITIES		(231,198)	(220,350)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	11	(33,807)	(30,337)
		(265,005)	(250,687)
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account	13	(265,105)	(250,787)
		(265,005)	(250,687)

Approved by the board of directors on 9 May 1995

J. D. Wittich

J D Wittich

Director

J. R. Restaurants Limited

STATEMENT OF CASHFLOWS

for the 52 weeks ended 1 January 1995

	<i>Notes below</i>	<i>52 weeks ended 1 January 1995 £000</i>	<i>52 weeks ended 2 January 1994 £000</i>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1	10,236	(9,710)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		—	(53,700)
TAXATION			
Amount received for group relief		4,655	31,335
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(5,685)	—
NET CASH (INFLOW)/OUTFLOW BEFORE FINANCING		9,206	(32,075)
FINANCING			
(Decrease)/increase in amounts owed to parent undertaking		(9,206)	32,075
INCREASE IN CASH AND CASH EQUIVALENTS	2	—	—

Note 1

Reconciliation of operating loss to net cash inflow/(outflow) from operating activities:

	<i>52 weeks ended 1 January 1995 £</i>	<i>52 weeks ended 2 January 1994 £</i>
Operating loss	(15,503)	(35,905)
Depreciation	27,159	26,737
(Decrease) in creditors	(4,164)	(741)
Decrease in stocks	2,448	597
Decrease/(increase) in debtors	296	(398)
Net cash inflow/(outflow) from operating activities	10,236	(9,710)

Note 2

Increase in cash and cash equivalents

	<i>£</i>	<i>£</i>
Beginning of period	500	500
Change in period	—	—
End of period	500	500

J. R. Restaurants Limited

NOTES TO THE ACCOUNTS

at 1 January 1995

1. ACCOUNTING POLICIES

Accounting convention

The accounts 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 are valued at the lower of cost and net realisable value.

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 1 January 1995 £</i>	<i>52 weeks ended 2 January 1994 £</i>
Auditors' remuneration		
- audit	1,000	1,000
- non-audit	4,225	1,750
Operating lease rentals - land and buildings	90,000	90,000
Depreciation	27,159	26,737

J. R. Restaurants Limited

NOTES TO THE ACCOUNTS

at 1 January 1995

4. STAFF COSTS

	52 weeks ended 1 January 1995 £	52 weeks ended 2 January 1994 £
Wages and salaries including directors' salaries	140,734	154,810
Social security costs	10,621	10,944
	<u>151,355</u>	<u>165,754</u>

The average weekly number of employees for the period was 13 (2 January 1994 - 19).

The directors received no remuneration for services to the company this year. (The emoluments of the highest paid director in the period to 2 January 1994 were £14,996.)

Directors' remuneration fell within the following ranges:

	52 weeks ended 1 January 1995 No.	53 weeks ended 2 January 1994 No.
£nil - £5,000	5	4
£10,001 - £15,000	—	1
	<u>5</u>	<u>5</u>

5. INTEREST PAYABLE

	52 weeks ended 1 January 1995 £	52 weeks ended 2 January 1994 £
To parent undertaking	—	53,700
	<u>—</u>	<u>53,700</u>

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	52 weeks ended 1 January 1995 £	52 weeks ended 2 January 1994 £
Corporation tax - based on the loss for the period at 33% (1993 - 33%)	—	—
Group relief surrendered to fellow subsidiary undertaking	4,655	31,335
Deferred tax	(3,470)	(5,680)
Net taxation benefit	<u>1,185</u>	<u>25,655</u>

J. R. Restaurants Limited

NOTES TO THE ACCOUNTS

at 1 January 1995

7. TANGIBLE FIXED ASSETS

	<i>Short leasehold property</i>	<i>Fixtures, equipment and vehicles</i>	<i>Total</i>
	£	£	£
Cost:			
At 2 January 1994	427,061	107,756	534,817
Additions	2,700	2,985	5,685
Disposals	—	(9,428)	(9,428)
At 1 January 1995	429,761	101,313	531,074
Depreciation:			
At 2 January 1994	51,940	37,697	89,637
Disposals	—	(9,428)	(9,428)
Provided during the period	17,438	9,721	27,159
At 1 January 1995	69,378	37,990	107,368
Net book values:			
At 1 January 1995	360,383	63,323	423,706
At 2 January 1994	375,121	70,059	445,180

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.

8. STOCKS

	<i>1 January 1995</i>	<i>2 January 1994</i>
	£	£
Raw materials and consumables	2,424	4,872

9. DEBTORS: amounts falling due within one year

	<i>1 January 1995</i>	<i>2 January 1994</i>
	£	£
Prepayments	5,858	6,154

J. R. Restaurants Limited

NOTES TO THE ACCOUNTS

at 1 January 1995

10. CREDITORS: amounts falling due within one year

	<i>1 January 1995</i>	<i>2 January 1994</i>
	<i>£</i>	<i>£</i>
Amounts owed to parent undertaking (see note 16)	659,652	668,858
Accruals	4,034	8,198
	<u>663,686</u>	<u>677,056</u>

11. DEFERRED TAXATION

	<i>1 January 1995</i>	<i>2 January 1994</i>
	<i>£</i>	<i>£</i>
Accelerated capital allowances at 33%	<u>33,807</u>	<u>30,337</u>

12. CALLED UP SHARE CAPITAL

	<i>1 January 1995</i>	<i>Authorised 2 January 1994</i>	<i>Allotted, called up and fully paid 1 January 1995</i>	<i>2 January 1994</i>
	<i>£</i>	<i>£</i>	<i>No.</i>	<i>No.</i>
£1 ordinary shares	<u>1,000</u>	<u>1,000</u>	<u>100</u>	<u>100</u>

13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 2 January 1994	100	(250,787)	(250,687)
Loss for the year	—	(14,318)	(14,318)
At 1 January 1995	<u>100</u>	<u>(265,105)</u>	<u>(265,005)</u>

14. LEASE COMMITMENTS

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

	<i>1 January 1995</i>	<i>2 January 1994</i>
	<i>£</i>	<i>£</i>
Land and buildings - expiring after five years	<u>90,000</u>	<u>90,000</u>

NOTES TO THE ACCOUNTS

at 1 January 1995

15. 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 accounts are prepared.

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

16. 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.