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J.R. RESTAURANTS LIMITED

**REPORT AND ACCOUNTS
1996**



J.R. Restaurants Limited

Company Number 2228650

Directors J P G Naylor (Chairman)
J D Wittich
A G Guy (appointed 29th August 1996)

Secretary J D Wittich

Registered Office 122 Victoria Street, London SW1E 5LG

Auditors Ernst & Young
Becket House, 1 Lambeth Palace Road, London SE1 7EU

J.R. Restaurants Limited

Report of the Directors

The directors present their Annual Report and Accounts for the 52 weeks ended 29th December 1996. Comparative figures relate to the 52 weeks ended 31st December 1995.

Results and Dividends

The results for the period are set out in the Profit and Loss Account on page 5 and show a profit after taxation of £34,999. The directors do not recommend the payment of a dividend.

Principal Activity and Business Review

On 1st January 1996 all assets and liabilities of the Company were transferred at book value to other group companies. The Company has not traded during the current period.

Directors and their Interests

The directors who held office during the period are given on page 1.

None of the directors held any interests in the ordinary shares of the Company.

The interests of J P G Naylor, J D Wittich and A G Guy in the shares of the ultimate parent undertaking, City Centre Restaurants plc, are shown in the financial statements of that company.

Options granted to J P G Naylor, J D Wittich and A G Guy under the executive share option scheme of the ultimate parent undertaking, City Centre Restaurants plc, and not exercised at 29th December 1996 are shown in the financial statements of that company.

None of the directors who held office during the period had a beneficial material interest in any contract to which the Company was a party during the period and which was of significance in relation to the business of the Company.

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 confirm that the accounts comply with the above requirements.

J.R. Restaurants Limited

Report of the Directors (continued)

Statement of Directors' responsibilities in respect of the Accounts (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 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.

Auditors

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

By order of the Board

J. D. Wittich

28 OCT 1997

J D Wittich Secretary

J.R. Restaurants Limited

Auditors' Report to the Members of J.R. Restaurants Limited

We have audited the accounts on pages 5 to 9, 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 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 affairs of the Company as at 29th December 1996 and of the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
London

28 OCT 1997

J.R. Restaurants Limited

Profit and Loss Account

for the period ended 29th December 1996

	Note	1996 £	1995 £
Turnover	2	-	486,905
Cost of sales		-	(521,252)
		-----	-----
Gross Loss		-	(34,347)
Administrative expenses		-	(2,993)
		-----	-----
Operating Loss and Loss on Ordinary Activities before Taxation	3	-	(37,340)
Tax credit on loss on ordinary activities	5	34,999	8,391
		-----	-----
Profit/(Loss) on Ordinary Activities after Taxation		34,999	(28,949)
Dividends		-	-
		-----	-----
Retained Profit/(Loss) for the period	11	34,999 =====	(28,949) =====

Statement of Total Recognised Gains and Losses

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

Reconciliation of Movements in Shareholders' Funds

Total recognised gains and losses for the period and total movements during the period	34,999	(28,949)
Shareholders' funds at beginning of period	(293,954)	(265,005)
	-----	-----
Shareholders' funds at end of period	(258,955)	(293,954)
	-----	-----

J.R. Restaurants Limited

Balance Sheet

as at 29th December 1996

	Note	1996 £	1995 £
Fixed Assets			
Tangible assets	6	- -----	397,118 -----
Current Assets			
Stocks		-	5,375
Debtors	7	-	5,754
Cash at bank and in hand		- -----	500 -----
		-	11,629
Creditors: amounts falling due within one year	8	(258,955) -----	(667,702) -----
Net Current Liabilities		(258,955) -----	(656,073) -----
Total Assets less Current Liabilities		(258,955)	(258,955)
Provision for liabilities and charges:			
Deferred taxation	9	- -----	(34,999) -----
		(258,955) -----	(293,954) -----
Capital and Reserves			
Called up share capital	10	100	100
Profit and loss account	11	(259,055) -----	(294,054) -----
Equity Shareholders' Funds		(258,955) -----	(293,954) -----

Approved by the Board of Directors
and signed on their behalf by:

J. D. Wittich

J D Wittich
Director

28 OCT 1997

J.R. Restaurants Limited

Notes to the Accounts

for the period ended 29th December 1996

1. Accounting Policies

Accounting Convention

The accounts have been prepared under the historical cost convention and have been prepared in accordance with applicable Accounting Standards.

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 (excluding value added tax).

3. Operating Loss

Operating loss is stated after charging (crediting):

	1996 £	1995 £
Depreciation	-	27,223
Auditors' remuneration - Audit services	-	1,000
- Non audit services	-	1,900
Operating lease rentals of land and buildings	-	90,000
	-----	-----

4. Employee Costs and Numbers

(a) Staff costs:

Wages and salaries	-	131,263
Social security costs	-	8,820
	-----	-----
	-	140,083
	-----	-----

(b) Staff numbers:

The average weekly number of employees during the period was nil (1995 - 16).

(c) Directors' emoluments:

The Directors received no remuneration for services to the Company (1995 - £nil).

J.R. Restaurants Limited

Notes to the Accounts

for the period ended 29th December 1996

	1996 £	1995 £
5. Tax credit on Loss on Ordinary Activities		
The taxation credit comprises:		
Group relief surrendered to fellow subsidiary undertaking	-	9,583
Deferred tax	34,999	(1,192)
	-----	-----
Taxation credit for the period	34,999	8,391
	-----	-----

6. Tangible Fixed Assets

	Total £	Short leasehold Property £	Fixtures, equipment & vehicles £
Cost			
At 1st January 1996	531,709	429,761	101,948
Transfers	(531,709)	(429,761)	(101,948)
	-----	-----	-----
At 29th December 1996	-	-	-
	-----	-----	-----
Depreciation			
At 1st January 1996	134,591	86,816	47,775
Transfers	(134,591)	(86,816)	(47,775)
	-----	-----	-----
At 29th December 1996	-	-	-
	-----	-----	-----
Net book values			
At 29th December 1996	-	-	-
At 31st December 1995	397,118	342,945	54,173
	-----	-----	-----
		1996 £	1995 £

7. Debtors

Amounts falling due within one year:

Prepayments	-	5,754
	-----	-----

8. Creditors

Amounts falling due within one year:

Accruals	-	3,910
Amounts due to parent undertaking	258,955	663,792
	-----	-----
	258,955	667,702
	-----	-----

9. Deferred Taxation

Full liability provided at 33%

Capital allowances in advance of depreciation	-	34,999
	-----	-----

J.R. Restaurants Limited

Notes to the Accounts

for the period ended 29th December 1996

10. Share Capital

	Authorised		Allotted called up and fully paid	
	1996	1995	1996	1995
	£	£	£	£
Ordinary shares of £1 each	1,000	1,000	100	100
	-----	-----	-----	-----

11. Reserves

	Profit and loss account £
At 1st January 1996	(294,054)
Retained profit for the period	34,999

At 29th December 1996	(259,055)

12. Lease Commitments

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

	1996	1995
	£	£
Land and buildings - expiring after five years	-	90,000
	-----	-----

13. Related Party Information

The Company has taken advantage of the exemption as a 100% subsidiary of City Centre Restaurants plc from disclosing related party transactions and balances with other members of the City Centre Restaurants plc group.

14. Holding Company

City Centre Restaurants plc, which is registered in Great Britain, (Registration number 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 those accounts can be obtained from the Secretary at 122 Victoria Street, London, SW1E 5LG.