

Le Pont De La Tour Limited

Registered No. 2512932

DIRECTORS

Sir Terence Conran (Chairman)

J Kissin

D Burke

D Gunewardena

SECRETARY

D Gunewardena

AUDITORS

Ernst & Young

Becket House

1 Lambeth Palace Road

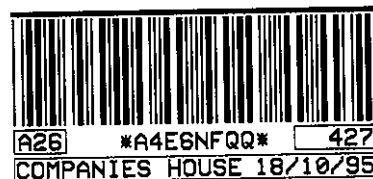
London SE1 7EU

REGISTERED OFFICE

22 Shad Thames

London SE1 2YU

ERNST & YOUNG



Le Pont De La Tour Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 1995.

RESULTS AND DIVIDENDS

The profit and loss account is set out on page 5 and shows the profit before taxation for the year of £796,369 (15 months ended 31 March 1994 – £702,863). A dividend of £200,000 was paid during the year, which leaves a profit of £256,822 to be retained.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activities during the period were that of restaurateurs and food and wine retailers. The restaurants trade as Le Pont de la Tour and Cantina del Ponte which, together with the shops, form part of the "Gastrodrome" at Butlers Wharf in London. The profit before tax for the year excluding the exceptional depreciation charge (see note 3) has increased by 72% compared with the equivalent period last year. The directors consider these results to be very satisfactory.

SIGNIFICANT CHANGES IN FIXED ASSETS

Full details of movements in fixed assets are shown in note 10 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests in the ordinary share capital of the company were as follows:

	31 March 1995	31 March 1994
	Ordinary shares	Ordinary shares
J Kissin	25	25
D Burke	10	10

The remainder of the shares are held by the parent undertaking, Conran Holdings Limited, a company controlled by Sir Terence Conran and in which D Gunewardena has an interest.

The interests of the directors in the shares of Conran Holdings Limited are disclosed in the accounts of that company.

CHARITABLE CONTRIBUTIONS

During the period charitable contributions of £nil (1994 – £2,000) were made.

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

Secretary

26th September 1995

Le Pont De La Tour Limited

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 Le Pont De La Tour Limited

We have audited the accounts on pages 5 to 15, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 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.

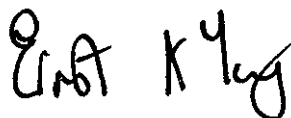
Basis of opinion

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 the company's affairs as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
London

12th October 1995

Le Pont De La Tour Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1995

	Notes	Year ended 31 March 1995 £	15 months ended 31 March 1994 £
TURNOVER	2	7,009,848	7,305,749
Cost of sales		(5,836,577)	(5,982,349)
Gross profit		1,173,271	1,323,400
Administrative expenses		(328,870)	(526,711)
OPERATING PROFIT	3	844,401	796,689
Interest receivable	6	13,233	546
Interest payable	7	(61,265)	(94,372)
		(48,032)	(93,826)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		796,369	702,863
Tax on profit on ordinary activities	8	(339,547)	(85,000)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		456,822	617,863
Dividends	9	(200,000)	(600,000)
PROFIT RETAINED FOR THE YEAR		256,822	17,863

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit retained for the year of £256,822.

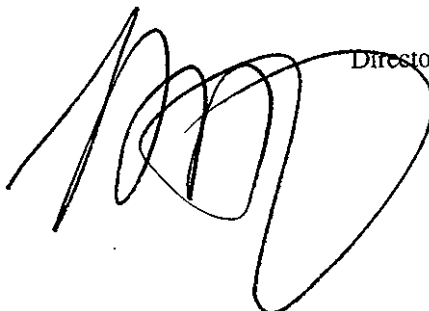
Le Pont De La Tour Limited

BALANCE SHEET

at 31 March 1995

	Notes	31 March 1995 £	31 March 1994 £
FIXED ASSETS			
Tangible assets	10	<u>1,369,055</u>	<u>1,690,014</u>
CURRENT ASSETS			
Stock		287,318	260,676
Debtors	11	502,472	596,021
Cash at bank and in hand	12	<u>156,955</u>	<u>213,046</u>
		946,745	1,069,743
CREDITORS: amounts falling due within one year	13	<u>(1,263,105)</u>	<u>(1,063,884)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(316,360)</u>	<u>5,859</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,052,695</u></u>	<u><u>1,695,873</u></u>
FINANCING			
CREDITORS: amounts falling due after more than one year	14	757,000	1,657,000
SHAREHOLDERS' FUNDS			
Called up share capital	15	200	200
Profit and loss account	16	<u>295,495</u>	<u>38,673</u>
		<u><u>1,052,695</u></u>	<u><u>1,695,873</u></u>

Approved by the board

 Director

26th September 1995

Le Pont De La Tour Limited

STATEMENT OF CASH FLOWS

for the year ended 31 March 1995

		Year ended 31 March 1995 £	15 months ended 31 March 1994 £
	Notes		
NET CASH INFLOW FROM OPERATING ACTIVITIES	3b	<u>1,193,232</u>	<u>736,666</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(73,107)	(72,448)
Interest received		13,233	546
Dividend paid		<u>(200,000)</u>	<u>(600,000)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(259,874)</u>	<u>(671,902)</u>
TAXATION			
Corporation tax paid		<u>(44,100)</u>	<u>-</u>
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets, net of disposals and write offs		(88,562)	(105,378)
Receipts from sale of fixed assets		<u>43,213</u>	<u>-</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(45,349)</u>	<u>(105,378)</u>
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>843,909</u>	<u>(40,614)</u>
FINANCING			
Partial repayment of bank loan	12b	75,000	400,000
Repayment of loan from director		-	538,401
Repayment to/(loan from) parent undertaking	12b	<u>825,000</u>	<u>(1,132,000)</u>
NET CASH OUTFLOW/(INFLOW) FROM FINANCING		<u>900,000</u>	<u>(193,599)</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	12a	<u>(56,091)</u>	<u>152,985</u>
		<u>843,909</u>	<u>(40,614)</u>

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1995

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents sales to outside customers at invoiced amounts excluding service charge and Value Added Tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated on the original cost of the assets at the following fixed instalments rates:

Plant and equipment	-	over 4 years
Furniture, fixtures and fittings	-	over 4 years
Computer and office equipment	-	over 4 years
Building work	-	over 21 years
Safety Equipment	-	over 4 years
Motor vehicles	-	over 3 years

Crockery, linen and staff uniforms are accounted for on a renewals basis.

The expected useful lives of all tangible fixed assets, except building work and motor vehicles, were revised at the beginning of the accounting period from 7 years to 4 years.

The directors consider these to be more prudent estimates of the expected useful lives of these assets.

Stocks

Stocks consist of raw materials and consumables and are stated at the lower of cost and net realisable value on a first-in, first-out basis.

Leases

Rentals paid under operating leases are charged to income on a straight-line basis over the term of the lease.

2. TURNOVER

Turnover, attributable to continuing operations, is derived from the sale of food, wines, spirits, beverages and sundry items.

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1995

3. OPERATING PROFIT

(a) This is stated after charging:

		<i>Year ended 31 March 1995 £</i>	<i>15 months ended 31 March 1994 £</i>
Depreciation	- standard	154,985	198,763
	- exceptional	173,819	-
Auditors' remuneration	- audit	6,750	6,300
	- other services	7,700	9,450
Hire of equipment		1,037	4,496
Staff costs (see note 5)		<u>1,840,126</u>	<u>2,624,043</u>

The exceptional depreciation charge arises as the expected useful lives of all tangible fixed assets, except building work and motor vehicles, have been reduced from 7 years to 4 years.

(b) Reconciliation of operating profit to net cash inflow from operating activities:

	<i>1995 £</i>	<i>1994 £</i>
Operating profit	844,401	796,689
Depreciation	328,804	198,763
Write off of fixed assets	37,500	-
Decrease/(increase) in debtors	93,549	(364,750)
Increase in stocks	(26,642)	(60,631)
(Decrease)/increase in creditors	(84,380)	166,595
Net cash inflow from operating activities	<u>1,193,232</u>	<u>736,666</u>

4. DIRECTORS' REMUNERATION

Remuneration in respect of directors of the company was as follows:

	<i>Year ended 31 March 1995 £</i>	<i>15 months ended 31 March 1994 £</i>
Emoluments (including pension contributions)	<u>93,667</u>	<u>166,089</u>
Chairman - see note below	<u>-</u>	<u>-</u>
Emoluments of highest paid director	<u>74,259</u>	<u>91,115</u>

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1995

4. DIRECTORS' REMUNERATION (continued)

The company has an agreement with Terence Conran Limited, a company beneficially owned by Sir Terence Conran, for the provision of the services of Sir Terence Conran as a director and Chairman, and D Gunewardena as a director.

The fees payable by the company under this agreement are subject to annual review and for the year to 31 March 1995 amounted to £50,000 (1994 – £62,500).

No remuneration is payable directly to these directors nor are any pension contributions payable on their account. The number of other directors (including the highest paid director) whose emoluments fell into the following ranges were:

	<i>Year ended 31 March 1995 No.</i>	<i>15 months ended 31 March 1994 No.</i>
£15,001 – £20,000	1	–
£70,001 – £75,000	1	1
£90,001 – £95,000	–	1

Management services are provided to the company by Conran Restaurants Limited and J Kissin is further remunerated by this latter company.

5. STAFF COSTS

Staff costs (including executive directors) consist of:

	<i>Year ended 31 March 1995 £</i>	<i>15 months ended 31 March 1994 £</i>
Wages	2,514,822	3,306,995
Less: service charge receivable	(926,483)	(983,446)
Social security	246,049	291,125
Pension cost	5,738	9,369
	<u>1,840,126</u>	<u>2,624,043</u>

The average number of full-time employees during the year was 165 (1994 – 183)

6. INTEREST RECEIVABLE

	<i>Year ended 31 March 1995 £</i>	<i>15 months ended 31 March 1994 £</i>
Bank interest	<u>13,233</u>	<u>546</u>

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1995

7. INTEREST PAYABLE

	<i>Year ended 31 March 1995 £</i>	<i>15 months ended 31 March 1994 £</i>
Loan from parent undertaking	49,016	31,494
Bank interest and similar charges	12,249	62,878
	<u>61,265</u>	<u>94,372</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>Year ended 31 March 1995 £</i>	<i>15 months ended 31 March 1994 £</i>
UK corporation tax at 33% (1994 – 33%)	312,047	85,000
Under provision in previous period	27,500	–
	<u>339,547</u>	<u>85,000</u>

The under provision of previous period taxation arises principally from a change in accounting for group relief. Full payments are now to be made for the benefits of tax losses surrendered by other group companies.

9. DIVIDENDS

	<i>Year ended 31 March 1995 £</i>	<i>15 months ended 31 March 1994 £</i>
Ordinary final paid	<u>200,000</u>	<u>600,000</u>

NOTES TO THE ACCOUNTS

at 31 March 1995

10. TANGIBLE FIXED ASSETS

	Linen and staff uniforms	Building work and fees	Crockery cutlery etc	Health safety maintenance equipment	Furniture fixtures & fittings	Plant & kitchen equipment	Computer & office equipment	Motor vehicles	Total
	£	£	£	£	£	£	£	£	£
Cost									
At 1 April 1994	40,221	1,183,033	67,981	9,857	232,201	360,581	139,298	5,737	2,038,909
Additions	-	5,542	-	879	59,639	6,050	16,452	-	88,562
Transfers to fellow subsidiary	-	-	-	-	(1,978)	-	(44,978)	(5,737)	(52,693)
Write offs	-	-	(22,000)	-	-	(31,000)	-	-	(53,000)
At 31 March 1995	40,221	1,188,575	45,981	10,736	289,862	335,631	110,772	-	2,021,778
Depreciation									
At 1 April 1994	-	126,042	-	2,897	64,231	114,912	39,060	1,753	348,895
Charges	-	54,696	-	3,768	92,421	136,923	40,996	-	328,804
Transfers to fellow subsidiary	-	-	-	-	(239)	-	(7,484)	(1,753)	(9,476)
Write offs	-	-	-	-	-	(15,500)	-	-	(15,500)
At 31 March 1995	-	180,738	-	6,665	156,413	236,335	72,572	-	652,723
Net Book value:									
At 31 March 1995	40,221	1,007,837	45,981	4,071	133,449	99,296	38,200	-	1,369,055
At 1 April 1994	40,221	1,056,991	67,981	6,960	167,970	245,669	100,238	3,984	1,690,014

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1995

11. DEBTORS

	31 March 1995 £	31 March 1994 £
Trade debtors	108,706	134,883
Amounts owed by group undertakings	108,989	190,596
Prepayments and accrued income	111,477	60,192
Other debtors	164,550	179,866
ACT recoverable	8,750	30,484
	<u>502,472</u>	<u>596,021</u>

Included in amounts owed by group undertakings is an amount of £50,000 which is due after more than one year.

12. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

(a) Cash at bank and in hand

	31 March 1995 £	31 March 1994 £
Beginning of the year	213,046	60,061
Net cash (outflow)/inflow	(56,091)	152,985
End of the year	<u>156,955</u>	<u>213,046</u>

(b) Analysis of changes in financing during the year

	31 March 1995 £	31 March 1994 £
Bank loan		
Beginning of the year	600,000	1,000,000
Amount repaid	(75,000)	(400,000)
End of the year	<u>525,000</u>	<u>600,000</u>
	<u>31 March 1995 £</u>	<u>31 March 1994 £</u>
Loan from parent undertaking		
Beginning of the year	1,132,000	—
Amount (repaid)/advanced	(825,000)	1,132,000
End of the year	<u>307,000</u>	<u>1,132,000</u>

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1995

13. CREDITORS: amounts falling due within one year

	31 March 1995 £	31 March 1994 £
Current instalment due on bank loan	75,000	75,000
Payments on account	4,920	2,620
Trade creditors	523,359	379,429
Amounts owed to group undertakings	38,773	551
Taxation and social security	404,631	386,770
Other creditors	51,174	26,278
Accruals	74,648	193,236
Payable to group companies in respect of group relief	90,600	—
	<u>1,263,105</u>	<u>1,063,884</u>

14. CREDITORS: amounts falling due after more than one year

	31 March 1995 £	31 March 1994 £
Bank loan	450,000	525,000
Loan from parent undertaking	307,000	1,132,000
	<u>757,000</u>	<u>1,657,000</u>

The bank loan is secured by a personal guarantee granted by a director for the full amount of the loan, and is repayable by instalments as follows:

	1995 £	1994 £
Years 2 to 5	<u>450,000</u>	<u>525,000</u>

The loans attract interest at the prevailing bank base rate plus 1½ %.

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS at 31 March 1995

15. SHARE CAPITAL

		<i>Authorised</i>	<i>Allotted, called up and fully paid</i>	
	<i>1995</i>	<i>1994</i>	<i>1995</i>	<i>1994</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>200</u>	<u>200</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<i>Share capital</i>	<i>Profit and loss account</i>
	<i>£</i>	<i>£</i>
At 1 April 1994	200	38,673
Retained profit for the year	—	256,822
At 31 March 1995	<u>200</u>	<u>295,495</u>

There are no movements in shareholders' funds other than the retained profit for the year.

17. LEASE COMMITMENTS

The company leases certain land and buildings. The rents payable under these leases are subject to reviews at intervals specified in the lease. The rental for the year on these leases was £145,201 (1994 – £153,933).

The current annual rentals under the foregoing leases are as follows:

	<i>Property</i>
	<i>£</i>
1995	
Operating leases which expire:	
– within 1 year	—
– within 2 -5 years	—
– after 5 years	154,000
	<u>154,000</u>

18. ULTIMATE PARENT UNDERTAKING

The company is a subsidiary undertaking of Conran Holdings Limited, incorporated in England and Wales. The results of the company are consolidated in the accounts of Conran Holdings Limited.