

Le Pont De La Tour Limited

Registered No. 2512932

DIRECTORS

Sir Terence Conran (Chairman)
D Gunewardena
J Kissin
D Burke

SECRETARY

D Gunewardena

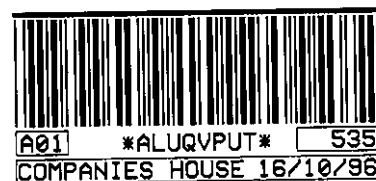
AUDITORS

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 1996.

RESULTS AND DIVIDENDS

The profit and loss account is set out on page 5 and shows the profit before taxation for the year of £1,344,067 (1995 - £796,369). A dividend of £550,000 was paid during the year, which leaves a profit of £323,996 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 Butler's Wharf in London.

The directors consider the results to be very satisfactory.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year are as listed on page 1. Their interests in the ordinary share capital of the company were as follows:

	<i>31 March 1996</i>	<i>31 March 1995</i>
	<i>Ordinary shares</i>	<i>Ordinary shares</i>
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.

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

11 OCT 1996

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.

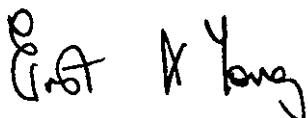
Basis of opinion

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 affairs of the company as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Ernst & Young', written in a cursive style.

Ernst & Young
Chartered Accountants
Registered Auditor
London

11 OCT 1996

Le Pont De La Tour Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1996

	Notes	1996 £	1995 £
TURNOVER	2	7,768,854	7,009,848
Cost of sales		(6,023,685)	(5,836,577)
Gross profit		1,745,169	1,173,271
Administrative expenses		(423,394)	(328,870)
OPERATING PROFIT	3	1,321,775	844,401
Interest receivable	6	36,426	13,233
Interest payable	7	(14,134)	(61,265)
		22,292	(48,032)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,344,067	796,369
Tax on profit on ordinary activities	8	(470,071)	(339,547)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		873,996	456,822
Dividends	9	(550,000)	(200,000)
PROFIT RETAINED FOR THE YEAR		323,996	256,822

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to the shareholders of the company for the year of £873,996 (1995 – £456,822).

Le Pont De La Tour Limited

BALANCE SHEET

at 31 March 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	10	1,165,347	1,369,055
CURRENT ASSETS			
Stock		420,988	287,318
Debtors	11	720,707	502,472
Cash at bank and in hand	12(a)	9,211	156,955
		1,150,906	946,745
CREDITORS: amounts falling due within one year	13	(1,696,562)	(1,263,105)
NET CURRENT LIABILITIES		(545,656)	(316,360)
TOTAL ASSETS LESS CURRENT LIABILITIES		619,691	1,052,695
FINANCING			
CREDITORS: amounts falling due after more than one year	14	—	757,000
SHAREHOLDERS' FUNDS			
Called up share capital	15	200	200
Profit and loss account	16	619,491	295,495
		619,691	1,052,695

Approved by the board

Director

11 OCT 1996

Le Pont De La Tour Limited

STATEMENT OF CASH FLOWS

for the year ended 31 March 1996

	Notes	1996 £	1995 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	3(b)	<u>1,476,960</u>	<u>1,193,232</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(14,133)	(73,107)
Interest received		36,426	13,233
Dividend paid		<u>(550,000)</u>	<u>(200,000)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(527,707)</u>	<u>(259,874)</u>
TAXATION			
Corporation tax paid		<u>(252,211)</u>	<u>(44,100)</u>
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets, net of disposals and write offs		(52,644)	(88,562)
Receipts from sale of fixed assets		<u>—</u>	<u>43,213</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(52,644)</u>	<u>(45,349)</u>
NET CASH INFLOW BEFORE FINANCING		<u>644,398</u>	<u>843,909</u>
FINANCING			
Repayment of bank loan	12(b)	525,000	75,000
Repayment to parent undertaking	12(b)	<u>307,000</u>	<u>825,000</u>
NET CASH OUTFLOW FROM FINANCING		<u>832,000</u>	<u>900,000</u>
DECREASE IN CASH AND CASH EQUIVALENTS	12(a)	<u>(187,602)</u>	<u>(56,091)</u>
		<u>644,398</u>	<u>843,909</u>

NOTES TO THE ACCOUNTS

at 31 March 1996

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
Leasehold improvements	-	over the lease term
Safety Equipment	-	over 4 years
Motor vehicles	-	over 3 years

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

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.

3. OPERATING PROFIT

(a) This is stated after charging:

		1996	1995
		£	£
Depreciation	- standard	239,852	154,985
	- exceptional	-	173,819
Auditors' remuneration	- audit	7,500	6,750
	- other services	3,538	7,700
Hire of equipment		-	1,037
Lease rentals on land and buildings		190,309	145,201
Staff costs (see note 5)		1,750,777	1,840,126

NOTES TO THE ACCOUNTS

at 31 March 1996

3. OPERATING PROFIT (continued)

The exceptional depreciation charge arose in 1995 as the expected useful lives of all tangible fixed assets, except leasehold improvements and motor vehicles, were reduced from 7 years to 4 years.

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

	1996 £	1995 £
Operating profit	1,321,775	844,401
Depreciation	239,852	328,804
Write off of fixed assets	16,499	37,500
(Increase)/decrease in debtors	(218,235)	93,549
Increase in stocks	(133,670)	(26,642)
Increase/(decrease) in creditors	250,739	(84,380)
Net cash inflow from operating activities	<u>1,476,960</u>	<u>1,193,232</u>

4. DIRECTORS' REMUNERATION

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

	1996 £	1995 £
Emoluments (including pension contributions)	<u>112,706</u>	<u>93,667</u>
Chairman – see note below	<u>–</u>	<u>–</u>
Emoluments of highest paid director	<u>87,421</u>	<u>74,259</u>

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. These directors are remunerated by that company.

The fees payable by the company under this agreement are subject to annual review and for the year to 31 March 1996 amounted to £48,250 (1995 – £50,500).

No remuneration is payable directly to these directors nor are any pension contributions payable on their behalf.

The number of other directors (including the highest paid director) whose emoluments fell into the following ranges were:

	1996 No.	1995 No.
£15,001 – £20,000	–	1
£25,001 – £30,000	1	–
£70,001 – £75,000	–	1
£85,001 – £90,000	1	–

Management services are provided to the company by Conran Restaurants Limited, a fellow subsidiary undertaking and J Kissin is further remunerated by that company.

NOTES TO THE ACCOUNTS

at 31 March 1996

5. STAFF COSTS

Staff costs (including executive directors) consist of:

	1996 £	1995 £
Wages	1,783,334	2,514,822
Less: service charge receivable (until 30 June 1995)	(210,454)	(926,483)
Social security	171,160	246,049
Other pension costs	6,737	5,738
	<u>1,750,777</u>	<u>1,840,126</u>

The average number of full-time employees during the year was 198 (1995 – 165)

From 1 July 1995, a system was introduced such that service charges are collected and distributed by a "Tronc" committee which is independent of the company. From this date therefore, service charge income and costs have not been accounted for by the company.

6. INTEREST RECEIVABLE

	1996 £	1995 £
Bank interest	<u>36,426</u>	<u>13,233</u>

7. INTEREST PAYABLE

	1996 £	1995 £
Loan from parent undertaking	–	49,016
Bank interest and similar charges	14,134	12,249
	<u>14,134</u>	<u>61,265</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £	1995 £
UK corporation tax at 33% (1995 – 33%)	470,071	312,047
Under provision in previous period	–	27,500
	<u>470,071</u>	<u>339,547</u>

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

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

9. DIVIDENDS

	<i>1996</i>	<i>1995</i>
	<i>£</i>	<i>£</i>
Ordinary final paid	550,000	200,000
	<u> </u>	<u> </u>

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

10. TANGIBLE FIXED ASSETS

	Linen and staff uniforms £	Leasehold improvements £	Crockery cutlery etc £	Health safety maintenance equipment £	Furniture fixtures & fittings £	Plant & kitchen equipment £	Computer & office equipment £	Motor vehicles £	Total £
Cost									
At 1 April 1995	40,221	1,188,575	45,981	10,736	289,862	335,631	110,772	-	2,021,778
Additions	-	3,536	-	671	30,968	8,691	8,778	-	52,644
Write offs in 1995/96	(3,500)	-	(13,000)	-	-	-	-	-	(16,500)
At 31 March 1996	36,721	1,192,111	32,981	11,407	320,830	344,322	119,550	-	2,057,922
Depreciation									
At 1 April 1995	-	180,738	-	6,665	156,413	236,335	72,572	-	652,723
Charged	-	54,957	-	2,918	78,375	76,354	27,248	-	239,852
At 31 March 1996	-	235,695	-	9,583	234,788	312,689	99,820	-	892,575
Net Book value:									
At 31 March 1996	36,721	956,416	32,981	1,824	86,042	31,633	19,730	-	1,165,347
At 1 April 1995	40,221	1,007,837	45,981	4,071	133,449	99,296	38,200	-	1,369,055

NOTES TO THE ACCOUNTS

at 31 March 1996

11. DEBTORS

	1996	1995
	£	£
Trade debtors	149,094	108,706
Amounts owed by group undertakings	315,654	108,989
Prepayments and accrued income	71,081	111,477
Other debtors	176,128	164,550
ACT recoverable	8,750	8,750
	<u>720,707</u>	<u>502,472</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

	1996	1995
	£	£
Cash at bank	9,211	156,955
Bank overdraft	(39,858)	—
	<u>(30,647)</u>	<u>156,955</u>
	1996	1995
	£	£
Beginning of the year	156,955	213,046
Net cash outflow	(187,602)	(56,091)
End of the year	<u>(30,647)</u>	<u>156,955</u>

(b) Analysis of changes in financing during the year

	1996	1995
	£	£
Bank loan		
Beginning of the year	525,000	600,000
Amount repaid	(525,000)	(75,000)
End of the year	<u>—</u>	<u>525,000</u>

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

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

	1996	1995
	£	£
Loan from parent undertaking		
Beginning of the year	307,000	1,132,000
Amount repaid	(307,000)	(825,000)
End of the year	—	307,000

13. CREDITORS: amounts falling due within one year

	1996	1995
	£	£
Current instalment due on bank loan	—	75,000
Payments on account	9,956	4,920
Trade creditors	587,004	523,359
Amounts owed to group undertakings	108,426	38,773
Corporation tax	461,645	259,363
Other taxation and social security	137,246	145,268
Other creditors	135,822	51,174
Accruals	110,426	74,648
Bank overdraft	39,858	—
Payable to group companies in respect of group relief	106,179	90,600
	1,696,562	1,263,105

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

	1996	1995
	£	£
Bank loan	—	450,000
Loan from parent undertaking	—	307,000
	—	757,000

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

	1996	1995
	£	£
Years 2 to 5	—	450,000

The loan attracted interest at the prevailing bank base rate plus 1½ %.

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1996

15. SHARE CAPITAL

	<i>1996</i>	<i>Authorised</i>	<i>Allotted, called up</i>	<i>and fully paid</i>
	<i>No.</i>	<i>1995</i>	<i>1996</i>	<i>1995</i>
		<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	1,000	1,000	200	200

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Called up</i>	<i>Profit and</i>
	<i>share capital</i>	<i>loss account</i>
	<i>£</i>	<i>£</i>
At 1 April 1995	200	295,495
Retained profit for the year	—	873,996
Dividends	—	(550,000)
At 31 March 1996	200	619,491

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 £157,290 (1995 – £145,201).

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

	<i>Property</i>
	<i>£</i>
1996	
Operating leases which expire:	
– within 1 year	—
– within 2 -5 years	—
– after 5 years	168,977
	168,977

18. ULTIMATE PARENT UNDERTAKING

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