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Le Pont De La Tour Limited

Report and Accounts

31 March 1994



 **ERNST & YOUNG**

Le Pont De La Tour Limited

Registered No. 2542082

DIRECTORS

Sir Terence O'Bye CBE
Joel Neil Mendel KSM
David Christopher Burke
Desmond Anthony Gunewardena

SECRETARY

D A L Gunewardena

AUDITORS

Ernst & Young
Becket House
1 Larabeth Palace Road
London SE1 7BU

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 15 month period ended 31 March 1994.

RESULTS AND DIVIDENDS

The profit and loss account is set out on page 5 and shows the profit before taxation for the period of £702,863 (1992 - £293,722). A dividend of £600,000 was paid during the year.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company has traded satisfactorily during the last 15 months. 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 Battersea Wharf in London.

SIGNIFICANT CHANGES IN FIXED ASSETS

Full details of acquisitions of fixed assets are shown in note 7 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 1994 Ordinary shares	31 December 1992 Ordinary shares
Sir Terence Orby Conran	-	165
Joel Neil Mendel Kissin	25	25
David Christopher Burke	10	10
Desmond Anthony Gunewardena	-	-

During the period Sir Terence Conran's shares were transferred to Conran Holdings Limited, a company controlled by him and in which D A L 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 £2,000 (1992 - £nil) 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

04 OCT 1994

ERNST & YOUNG

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 these accounts and to report our opinion to you.

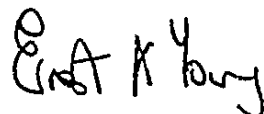
Basis of opinion

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 1994 and of its 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

04 OCT 1994

Le Pont De La Tour Limited

PROFIT AND LOSS ACCOUNT

for the period ended 31 March 1994

		15 months ended 31 March 1994	12 months ended 31 December 1993
	Notes	£	£
TURNOVER	2	7,305,749	4,369,164
Cost of sales		5,982,349	3,819,877
Gross profit		1,323,400	549,284
Administrative expenses		526,711	143,138
OPERATING PROFIT		796,689	406,146
Interest receivable	3	546	2
Interest payable	4	(94,372)	(112,426)
		(93,826)	(112,424)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	702,863	293,722
Tax on profit on ordinary activities	8	85,000	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		617,863	293,722
Dividends		(600,000)	-
PROFIT RETAINED FOR THE PERIOD		17,863	293,722

STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £
1 January 1993	20,810
Retained profit for the period	17,863
31 March 1994	38,673

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

A statement of recognised gains and losses is not presented because the company has no recognised gains or losses other than the retained profit for the period.

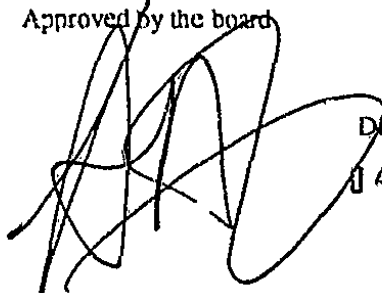
Le Pont De La Tour Limited

BALANCE SHEET

at 31 March 1994

	Notes	1994 £	1993 £
FIXED ASSETS			
Tangible assets	9	<u>1,600,014</u>	<u>1,783,399</u>
CURRENT ASSETS			
Stock		260,676	300,045
Debtors	10	596,021	300,786
Cash at bank and in hand	11	213,046	60,061
		<u>1,069,743</u>	<u>460,892</u>
CREDITORS: amounts falling due within one year	12	<u>(1,063,884)</u>	<u>(728,381)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>5,859</u>	<u>(267,389)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,605,873</u></u>	<u><u>1,516,010</u></u>
FINANCING			
CREDITORS: amounts falling due after more than one year	13	1,657,000	1,495,000
SHAREHOLDERS' FUNDS			
Called up share capital	14	200	300
Profit and loss account		38,673	20,810
		<u><u>1,695,873</u></u>	<u><u>1,516,000</u></u>

Approved by the board



Director

14 OCT 1994

Le Pont De La Tour Limited

STATEMENT OF CASH FLOWS

for the period ended 31 March 1994

	Notes	15 months ended 31 March 1994 £	12 months ended 31 December 1992 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	5b	736,666	473,454
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(72,448)	(112,426)
Interest received		546	2
Dividend paid		(600,000)	-
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(671,902)	(112,424)
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets, net of disposals and write offs		(105,378)	(480,242)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(105,378)	(480,242)
NET CASH OUTFLOW BEFORE FINANCING		(40,614)	(119,212)
FINANCING			
Issue of ordinary share capital		-	(10)
Partial repayment of bank loan		400,000	-
Repayment of loan from director		538,401	-
Loan from parent undertaking		(1,132,000)	-
NET CASH INFLOW FROM FINANCING		(193,599)	(10)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS 11		152,985	(119,202)
		(40,614)	(119,212)

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1994

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 7 years
Furniture, fixtures and fittings	-	over 7 years
Computer and office equipment	-	over 7 years
Building work	-	over 21 years
Safety Equipment	-	over 7 years
Motor vehicles	-	over 3 years

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

Stocks

Stocks held are 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 laundry items.

3. INTEREST RECEIVABLE

	15 months ended 31 March 1994 £	12 months ended 31 December 1992 £
Bank deposit interest receivable	546	2

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1994

4. INTEREST PAYABLE

	15 months ended 31 March 1994 £	12 months ended 31 December 1992 £
Director's loan	31,494	36,276
Bank loans	62,878	86,150
	<u>94,372</u>	<u>112,426</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(a) This is stated after charging:

	15 months ended 31 March 1994 £	12 months ended 31 December 1992 £
Depreciation	198,763	121,275
Auditors' remuneration - audit	6,300	7,500
- other services	9,450	2,500
Hire of equipment	4,496	4,656
Staff costs (see note 6)	<u>2,624,043</u>	<u>1,476,002</u>

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

	1994 £	1992 £
Operating profit	796,689	406,146
Depreciation	198,763	121,275
Increase in debtors	(364,750)	(176,084)
Increase in stocks	(60,631)	(62,032)
Increase in creditors	166,595	184,140
Net cash inflow from operating activities	<u>736,666</u>	<u>473,454</u>

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1994

6. STAFF COSTS

Staff costs (including executive directors) consist of:

	15 months ended 31 March 1994 £	12 months ended 31 December 1992 £
Wages	3,306,995	1,844,618
Less: service charge receivable	(983,446)	(550,828)
Social security	291,125	191,212
Pension cost	9,369	-
	<u>2,624,043</u>	<u>1,476,002</u>

The average number of full-time employees during the period was as follows:

15 months ended 31 March 1994 No.	12 months ended 31 December 1992 No.
<u>183</u>	<u>120</u>

7. DIRECTORS' REMUNERATION

Directors' remuneration in respect of directors of the company was as follows:

	15 months ended 31 March 1994 £	12 months ended 31 December 1992 £
Salaries	<u>166,089</u>	<u>77,321</u>
Chairman - see note below	<u>-</u>	<u>-</u>
Emoluments of highest paid director	<u>91,115</u>	<u>44,583</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 A L Gunewardena as a director.

The fees payable by the company under this agreement are subject to annual review and for the period to 31 March 1994 amounted to £62,500.

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1994

7. DIRECTORS' REMUNERATION (continued)

No remuneration is payable direct to these directors nor are any pension contributions payable on their account. The number of other directors whose emoluments fell into the following ranges were:

	15 months ended 31 March 1994 No.	12 months ended 31 December 1993 No.
£30,001 - £35,000	-	1
£70,001 - £75,000	1	-

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

The corporation tax charge at 33% for the period was £85,000 (1993 - £nil).

In calculating the corporation tax charge, group relief of £166,000 has been utilised.

NOTES TO THE ACCOUNTS

at 31 March 1994

9. TANGIBLE FIXED ASSETS

Cost	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	Trucks
	£	£	£	£	£	£	£	£	£
At 1 January 1993	37,406	1,150,048	64,897	9,407	208,638	351,031	112,105	-	1,988,502
Additions	2,815	32,985	3,832	450	25,182	9,866	30,218	5,797	110,795
Disposals	-	-	(748)	-	-	(16)	(1,050)	-	(1,814)
Write offs	-	-	-	-	(1,619)	-	(1,975)	-	(1,504)
At 31 March 1994	40,221	1,183,033	67,981	9,857	232,201	360,881	139,298	5,797	2,008,909
Depreciation									
At 1 January 1993	-	56,224	-	1,138	26,941	51,887	14,743	-	150,100
Charges	-	69,818	-	1,759	37,290	68,826	34,317	1,750	198,268
Disposals	-	-	-	-	-	(1)	-	-	(1)
At 31 March 1994	-	126,042	-	2,897	64,231	114,912	39,060	1,750	348,895
Net Book value:									
At 31 March 1994	40,221	1,056,991	67,981	6,960	167,970	245,669	100,238	3,284	1,660,014
At 1 January 1993	37,406	1,093,824	64,897	8,269	181,607	299,944	97,362	-	1,384,009

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1994

10. DEBTORS

	1994	1993
	£	£
Trade debtors	134,883	27,388
Amounts owed by group undertakings	190,596	-
Prepayments and accrued income	60,192	56,852
Other debtors	179,866	136,646
ACT recoverable	30,484	-
	<u>596,021</u>	<u>300,786</u>

Included in other debtors is an amount of £156,460 which is due after more than one year.

11. CASH AND CASH EQUIVALENTS

(a) Cash at bank and in hand

	1994	1993
	£	£
At 1 January 1993	60,061	179,363
Net cash inflow/(outflow)	152,985	(119,202)
At 31 March 1994	<u>213,046</u>	<u>60,061</u>

(b) Bank loan

	1994	1993
	£	£
At 1 January 1993	1,000,000	1,000,000
Amount repaid	(400,000)	-
At 31 March 1994	<u>600,000</u>	<u>1,000,000</u>

Included in creditors:

- due within one year	75,000
- due after more than one year	525,000
	<u>600,000</u>

(c) Loan from director

	1994	1993
	£	£
At 1 January 1993	495,000	495,000
Amount repaid	(495,000)	-
At 31 March 1994	<u>-</u>	<u>495,000</u>

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

at 31 March 1994

11. CASH AND CASH EQUIVALENTS (continued)

(a) Loan from parent undertaking

	1994	1992
	£	£
At 1 January 1993	-	-
Amount advanced	1,132,000	-
At 31 March 1994	1,132,000	-

12. CREDITORS: amounts falling due within one year

	1994	1992
	£	£
Current instalment due on bank loan	75,000	-
Payments on account	2,620	-
Trade creditors	379,429	376,681
Amounts owed to group undertakings	551	-
Taxation and social security	386,770	156,049
Other creditors	26,278	26,968
Accruals	193,236	125,182
Loan from director	-	43,404
	1,063,884	728,281

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

	1994	1992
	£	£
Bank loan	525,000	1,000,000
Loan from parent undertaking	1,132,000	-
Loan from director	-	495,000
	1,657,000	1,495,000

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:

	1994	1992
	£	£
Years 2 to 5	525,000	250,000
After more than 5 years	-	750,000

The loan from the parent undertaking attracts interest at the prevailing bank base rate plus 1 1/2 %.

Le Pont De La Tour Limited

NOTES TO THE ACCOUNTS

as 31 March 1994

14. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1994	1992	1994	1992
	No.	No.	£	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>300</u>	<u>200</u>

15. LEASE COMMITMENTS

The company has entered into non-cancellable leases in respect of office equipment, the payments for which extend over a period of 4 months. The total rental for the period was £822 (1992 - £2,240).

In addition the company leases certain land and buildings. The rents payable under these leases, which expire after more than five years, are subject to renegotiation as specified in the lease. The rental for the period on these leases was £153,933 (1992 - £35,000) and the annual commitment to 31 March 1995 is £144,781.

16. 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.