

2512932

Le Pont de la Tour Limited

Report and Financial Statements

31 March 2006

 ERNST & YOUNG



Registered No. 2512932

Directors

Sir Terence Conran (Chairman)
D Gunewardena

Secretary

M A Schuitemaker

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Registered Office

22 Shad Thames
London SE1 2YU

Directors' report

The directors present their report and financial statements for the year ended 31 March 2006.

Results and dividends

The profit and loss account is set out on page 6 and shows a profit before taxation for the year of £1,050,000 (2005 – £796,000). Dividends for the year amounted to £650,000 (2005 – £700,000).

Principal activity

The company's principal activity is 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.

Review of the business, key performance indicators and future developments

The directors consider the results for the year to be excellent.

The directors consider Turnover and EBITDA as the key performance indicators for the company. Turnover for the year increased from £7,080,000 in 2005 to £7,341,000 in 2006, whilst EBITDA increased from £969,000 in 2005 to £1,172,000 in 2006.

The directors expect the results to continue to be excellent in the current financial year, assuming normal trading conditions continue.

Directors and their interests

The directors of the company who served during the year were as listed on page 1.

The directors have no interests in the shares of the company, other than by virtue of their interests in the shares of Conran Holdings Limited, the parent undertaking. The interests of the directors in the shares of Conran Holdings Limited and other group undertakings are disclosed in the financial statements of that company.


Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1.

Having made enquiries of fellow directors and of the company's auditors, each of the directors confirms that:

- to the best of each director's knowledge and belief, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps a director might be reasonably expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of the information.

By order of the Board


Secretary

//

September 2006

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements 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 financial statements, 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 financial statements; and
- prepare the financial statements 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 enable them to ensure that the financial statements 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.

Independent auditors' report

to the members of Le Pont de la Tour Limited

We have audited the company's financial statements for the year ended 31 March 2006 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Independent auditors' report

to the members of Le Pont de la Tour Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

12 September 2006

Profit and loss account

for the year ended 31 March 2006

	Notes	2006 £000	2005 £000
Turnover	2	7,341	7,080
Cost of sales		(6,091)	(6,034)
Gross profit		1,250	1,046
Administrative expenses		(319)	(290)
Other operating income		85	—
Operating profit	3	1,016	756
Interest receivable	6	34	40
Profit on ordinary activities before taxation		1,050	796
Tax on profit on ordinary activities	7	(331)	(248)
Profit on ordinary activities after taxation		719	548
Dividends	8	(650)	(700)
Recognised profit/(loss) for the financial year		69	(152)

Statement of total recognised gains and losses

for the year ended 31 March 2006

There are no recognised gains or losses other than the profit attributable to the shareholders of the company for the year of £719,000 (2005 – £548,000).

Balance sheet

at 31 March 2006

	Notes	2006 £000	2005 £000
Fixed assets			
Tangible assets	9	828	854
Current assets			
Stocks	10	279	276
Debtors	11	248	194
Cash at bank and in hand		46	59
		573	529
Creditors: amounts falling due within one year	12	(787)	(814)
Net current liabilities		(214)	(285)
Total assets less current liabilities		614	569
Provision for deferred tax	13	(60)	(84)
		554	485
Shareholders' funds			
Called up share capital	14	—	—
Profit and loss account	15	554	485
		554	485

ERNST & YOUNG

Approved by the Board

Director

// September 2006

Notes to the financial statements

at 31 March 2006

1. Accounting policies

Basis of preparation

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

Adoption of new UK accounting standards

The accounting policies adopted by the company are set out below and are consistent with those of the previous year, except for the adoption of FRS 21 'Events after the balance sheet date', and the presentation requirements of FRS 25 'Financial Instruments: Disclosure and Presentation' and of FRS 28 'Corresponding amounts'.

No restatement has resulted from the adoption of these standards.

Turnover

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

Tangible fixed assets

Tangible fixed assets are included at cost, less accumulated depreciation.

Depreciation is charged on a straight line basis over the following periods:

Leasehold improvements	–	over the shorter of the period of the lease and 25 years
Furniture, fixtures and fittings	–	over 4 years
Plant and equipment	–	over 4 years

Stocks

Stocks consist of raw materials, goods for resale, consumables, crockery, linen and staff uniforms. Raw materials and consumables are stated at the lower of cost and net realisable value on a first-in, first-out basis.

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

Leases

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

Statement of cash flow

The company is exempt under the terms of Financial Reporting Standard 1 (Revised) from publishing a statement of cash flow.

Notes to the financial statements

at 31 March 2006

1. Accounting policies (continued)

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pension costs

The company does not operate its own pension scheme. It does however make contributions to certain senior employees' personal pension schemes. These contributions are charged to the profit and loss account as they fall due.

2. Turnover

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

3. Operating profit

Operating profit is stated after charging:

	2006 £000	2005 £000
Depreciation	156	213
Auditors' remuneration	8	10
Operating leases – property	394	374
	<u> </u>	<u> </u>

Other operating income is in respect of an insurance claim.

4. Directors' remuneration

The company has an agreement with Conran Limited, a fellow subsidiary undertaking, for the provision of the services of Sir Terence Conran as a director and Chairman and D Gunewardena as a director. D Gunewardena is remunerated by that company.

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

Management services are provided to the company by Conran Restaurants Limited, a fellow subsidiary undertaking.

Notes to the financial statements

at 31 March 2006

5. Staff costs

Staff costs consist of:

	2006 £000	2005 £000
Wages and salaries	1,809	1,786
Social security	128	129
Pension costs	15	11
	<u>1,952</u>	<u>1,926</u>

The average full-time equivalent number of persons employed by the company during the year was 137 (2005 – 127).

6. Interest receivable

	2006 £000	2005 £000
Interest receivable from group undertakings	<u>34</u>	<u>40</u>

7. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2006 £000	2005 £000
Current tax:		
UK corporation tax	326	265
Tax underprovided in previous years	29	1
Total current tax (note 7 (b))	<u>355</u>	<u>266</u>
Deferred tax:		
Origination and reversal of timing differences	(3)	(16)
Tax overprovided in previous years	(21)	(2)
Total deferred tax (note 14)	<u>(24)</u>	<u>(18)</u>
Tax on profit on ordinary activities	<u>331</u>	<u>248</u>

Notes to the financial statements

at 31 March 2006

7. Tax on profit on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year varies from the standard rate of corporation tax in the UK of 30% (2005 – 30%). The differences are reconciled below:

	2006 £000	2005 £000
Profit on ordinary activities before tax	1,050	796
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	315	239
Expenditure not deductible for tax purposes	8	10
Depreciation in excess of capital allowances	3	16
Tax underprovided in previous years	29	1
Total current tax (note 7(a))	355	266

8. Dividends

	2006 £000	2005 £000
Equity dividends on ordinary shares:		
Interim paid	450	450
Final paid	200	250
	650	700

Notes to the financial statements

at 31 March 2006

9. Tangible fixed assets

	<i>Leasehold improvements</i>	<i>Furniture, fixtures and fittings</i>	<i>Plant and equipment</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:				
At 1 April 2005	1,426	1,040	909	3,375
Reclassification	—	(18)	18	—
Additions	9	81	40	130
At 31 March 2006	1,435	1,103	967	3,505
Depreciation:				
At 1 April 2005	763	909	849	2,521
Reclassification	—	(17)	17	—
Provided during the year	69	57	30	156
At 31 March 2006	832	949	896	2,677
Net book value:				
At 31 March 2006	603	154	71	828
At 31 March 2005	663	131	60	854

10. Stocks

	<i>2006</i>	<i>2005</i>
	<i>£000</i>	<i>£000</i>
Goods for resale	2	8
Raw materials and consumables	140	144
Crockery, linen and staff uniforms	137	124
	279	276

11. Debtors

	<i>2006</i>	<i>2005</i>
	<i>£000</i>	<i>£000</i>
Trade debtors	113	88
Amounts owed by group undertakings	112	83
Other debtors	1	8
Prepayments and accrued income	22	15
	248	194

Notes to the financial statements

at 31 March 2006

12. Creditors: amounts falling due within one year

	2006 £000	2005 £000
Trade creditors	222	358
Amounts owed to group undertakings	44	32
Amounts owed to group undertakings in respect of group relief	183	120
Other taxation and social security	129	100
Other creditors	87	99
Accruals and deferred income	122	105
	<u>787</u>	<u>814</u>

13. Provision for deferred tax

The deferred tax included in the balance sheet is as follows:

	2006 £000	2005 £000
Accelerated capital allowances	60	84
Provision for deferred tax	<u>60</u>	<u>84</u>
	2006 £000	2005 £000
At 1 April	84	102
Deferred tax credit in profit and loss account	(24)	(18)
At 31 March	<u>60</u>	<u>84</u>

14. Share capital

	Authorised		Allotted, called up and fully paid	
	2006 £	2005 £	2006 £	2005 £
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>200</u>	<u>200</u>

Notes to the financial statements

at 31 March 2006

15. Reconciliation of shareholders' funds and movement on reserves

	<i>Profit and loss account 2006 £000</i>	<i>Total share- holders' funds 2006 £000</i>	<i>Total share- holders' funds 2005 £000</i>
At 1 April	485	485	637
Profit after taxation	719	719	548
Dividends	(650)	(650)	(700)
At 31 March	<u>554</u>	<u>554</u>	<u>485</u>

16. Lease commitments

The company leases certain land and buildings. The rents payable under these leases are subject to review at intervals specified in the lease.

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

	<i>Property 2006 £000</i>	<i>Property 2005 £000</i>
Operating leases which expire: – after more than 5 years	<u>389</u>	<u>356</u>

17. Contingent liabilities

- (a) The company, together with its ultimate parent undertaking and certain fellow subsidiary undertakings, is party to an Unlimited Inter Company Composite Guarantee dated 17 December 2004 to National Westminster Bank PLC as security for a group overdraft arrangement between the company, its ultimate parent undertaking and those fellow subsidiary undertakings. As at the balance sheet date, the net overdraft under the guarantee was £nil (2005 – £1,450,000).
- (b) The company, together with its parent undertaking and certain fellow subsidiary undertakings, is party to a Guarantee and Debenture dated 17 December 2004 to the benefit of The Royal Bank of Scotland plc as security for loans advanced to the company's fellow subsidiary undertaking Conran Finance Limited and the group overdraft arrangement referred to in paragraph (a).

The loans and group overdraft ('the facilities') are secured by fixed and floating charges over certain of the company's assets and of those of both the fellow subsidiary undertakings also party to the Guarantee and Debenture and of the company's parent undertaking.

As at the balance sheet date, the total indebtedness covered by the Guarantee and Debenture was £nil and the maximum indebtedness permissible under the facilities was £1,000,000.

Notes to the financial statements

at 31 March 2006

18. Related party transactions

The ultimate controlling party is Sir Terence Conran.

No disclosure is made of transactions with group undertakings as permitted by Financial Reporting Standard 8.

There were no other material related party transactions.

19. 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 into the financial statements of Conran Holdings Limited, the ultimate parent undertaking.