

LE PONT DE LA TOUR LIMITED

Report and Financial Statements

31 March 2002



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Le Pont de la Tour Limited

Registered No. 2512932

DIRECTORS

Sir Terence Conran (Chairman)

D Gunewardena

D Loewi

SECRETARY

D Gunewardena

AUDITORS

Ernst & Young LLP

Becket House

1 Lambeth Palace Road

London SE1 7EU

REGISTERED OFFICE

22 Shad Thames

London SE1 2YU

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 March 2002.

RESULTS AND DIVIDENDS

The profit and loss account is set out on page 5 and shows the profit before taxation for the year of £1,260,000 (2001 – £1,617,000). Dividends for the year totalled £500,000 (2001 – £1,200,000).

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activities during the year 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 satisfactory.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were as shown 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.

AUDITORS

A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the Board

Director

22 October 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
FINANCIAL STATEMENTS

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 to 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 2002, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 20. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

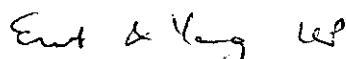
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

28 OCT 2002

Le Pont de la Tour Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2002

		2002	2001
			<i>As restated</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
TURNOVER	2	7,533	7,898
Cost of sales		(6,011)	(6,038)
GROSS PROFIT		<u>1,522</u>	<u>1,860</u>
Administrative expenses		(302)	(319)
OPERATING PROFIT	3	<u>1,220</u>	<u>1,541</u>
Interest receivable	6	61	83
Interest payable	7	(21)	(7)
		<u>40</u>	<u>76</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,260</u>	<u>1,617</u>
Tax on profit on ordinary activities	8	(360)	(491)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>900</u>	<u>1,126</u>
Dividends	9	(500)	(1,200)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>400</u>	<u>(74)</u>

Le Pont de la Tour Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 March 2002

	2002	2001
		<i>As restated</i>
	£000	£000
Profit attributable to members of the company	900	1,126
TOTAL RECOGNISED GAINS AND LOSSES RELATED TO THE YEAR	<u>900</u>	<u>1,126</u>
Prior year adjustment (see note 1)	(71)	-
TOTAL RECOGNISED GAINS AND LOSSES SINCE LAST YEAR END	<u>829</u>	<u>1,216</u>

Le Pont de la Tour Limited

BALANCE SHEET

at 31 March 2002

	Notes	2002 £000	2001 <i>As restated</i> £000
FIXED ASSETS			
Tangible assets	10	1,159	1,261
CURRENT ASSETS			
Stocks	11	252	252
Debtors	12	500	696
Cash at bank and in hand		338	-
		1,090	948
CREDITORS: amounts falling due within one year	13	(1,630)	(1,992)
NET CURRENT LIABILITIES		(540)	(1,044)
TOTAL ASSETS LESS CURRENT LIABILITIES		619	217
PROVISION FOR DEFERRED TAX	14	(73)	(71)
		546	146
SHAREHOLDERS' FUNDS			
Called up share capital	15	-	-
Profit and loss account	16	546	146
		546	146

Approved by the Board

Director

22 October 2002

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2002

1. ACCOUNTING POLICIES

Accounting convention

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

Prior year adjustment

FRS 19 was implemented during the year, which requires provision for deferred tax as detailed below. The effect of implementation was to reduce the company's reserves as at 31 March 2001 by £71,000 and the company's opening reserves for the year have been adjusted by this amount. The effect on the results of the current year is to increase the tax charge by £2,000 and the effect on the results of the prior year is to increase the tax charge by £3,000.

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, 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.

Cash flow statement

The company is exempt under the terms of Financial Reporting Standard No. 1 (Revised) from publishing a cash flow statement.

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.

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2002

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.

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:

	2002 £000	2001 £000
Depreciation	213	189
Auditors' remuneration	9	9
Operating leases – property	383	317

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. D Loewi is remunerated by that company.

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2002

5. STAFF COSTS

Staff costs consist of:

	2002 £000	2001 £000
Wages	1,897	1,973
Social security	143	154
Pension costs	14	8
	<u>2,054</u>	<u>2,135</u>

The average weekly number of persons employed by the company during the year was as follows:

2002 Number employed	2002 Full-time equivalent	2001 Number employed	2001 Full-time equivalent
176	163	179	169
<u>176</u>	<u>163</u>	<u>179</u>	<u>169</u>

6. INTEREST RECEIVABLE

	2002 £000	2001 £000
Interest receivable from group undertakings	61	83
	<u>61</u>	<u>83</u>

7. INTEREST PAYABLE

	2002 £000	2001 £000
Interest payable to group undertakings	21	7
	<u>21</u>	<u>7</u>

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2002

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) *Tax on profit on ordinary activities*

The tax charge is made up as follows:

	2002	2001
		<i>As restated</i>
	£000	£000
Current tax:		
UK corporation tax	389	491
Tax overprovided in previous years	(31)	(3)
Total current tax (note 8 (b))	358	488
Deferred tax:		
Origination and reversal of timing differences	2	3
Total deferred tax (note 14)	2	3
Tax on profit on ordinary activities	360	491

(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% (2001 – 30%). The differences are reconciled below:

	2002	2001
	£000	£000
Profit on ordinary activities before tax	1,260	1,617
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	378	485
Expenditure not deductible for tax purposes	11	9
Capital allowances for year in excess of depreciation	(2)	(3)
Tax overprovided in previous years	(31)	(3)
Other short term timing differences	2	–
Total current tax (note 8(a))	358	488

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2002

9. DIVIDENDS

	2002 £000	2001 £000
Equity dividends on ordinary shares:		
Interim paid	400	1,000
Final paid	-	200
Final proposed	100	-
	<u>500</u>	<u>1,200</u>

10. TANGIBLE FIXED ASSETS

	<i>Leasehold improvements</i> £000	<i>Furniture, fixtures and fittings</i> £000	<i>Plant and equipment</i> £000	<i>Total</i> £000
Cost:				
At 1 April 2001	1,377	772	764	2,913
Additions	4	58	50	112
Disposals	(9)	-	-	(9)
At 31 March 2002	<u>1,372</u>	<u>830</u>	<u>814</u>	<u>3,016</u>
Depreciation:				
At 1 April 2001	514	614	524	1,652
Provided during the year	64	64	85	213
Disposals	(8)	-	-	(8)
At 31 March 2002	<u>570</u>	<u>678</u>	<u>609</u>	<u>1,857</u>
Net book value:				
At 31 March 2002	<u>802</u>	<u>152</u>	<u>205</u>	<u>1,159</u>
At 31 March 2001	<u>863</u>	<u>158</u>	<u>240</u>	<u>1,261</u>

11. STOCKS

	2002 £000	2001 £000
Raw materials and consumables	171	174
Crockery, linen and staff uniforms	81	78
	<u>252</u>	<u>252</u>

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2002

12. DEBTORS

	2002 £000	2001 £000
Trade debtors	203	156
Amounts owed by group undertakings	168	513
Amounts owed by group undertakings in respect of group relief	3	3
Other debtors	27	12
Prepayments and accrued income	99	12
	<u>500</u>	<u>696</u>

13. CREDITORS: amounts falling due within one year

	2002 £000	2001 £000
Bank overdraft	—	23
Trade creditors	544	629
Amounts owed to group undertakings	502	674
Amounts owed to group undertakings in respect of group relief	325	313
Other taxation and social security	66	128
Other creditors	51	42
Accruals and deferred income	137	183
Proposed dividends	5	—
	<u>1,630</u>	<u>1,992</u>

14. PROVISION FOR DEFERRED TAX

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

	2002 £000	2001 £000
Accelerated capital allowances	73	71
Provision for deferred tax	<u>73</u>	<u>71</u>
		£000
At 1 April 2001		71
Deferred tax charge in profit and loss account		2
At 31 March 2002		<u>73</u>

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2002

15. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	1,000	1,000	200	200

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Profit and loss account 2002</i>	<i>Total share- holders' funds 2002</i>	<i>Total share- holders' funds 2001</i>
	<i>£000</i>	<i>£000</i>	<i>As restated £000</i>
At 1 April	217	217	288
Prior year adjustment (see note 1)	(71)	(71)	(68)
As restated	146	146	220
Profit after taxation	900	900	1,126
Dividends	(500)	(500)	(1,200)
At 31 March	546	546	146

17. 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 2002</i>	<i>Property 2001</i>
	<i>£000</i>	<i>£000</i>
Operating leases which expire: – after more than 5 years	317	317

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2002

18. CONTINGENT LIABILITIES

- (a) The company, together with its ultimate parent undertaking and certain fellow subsidiary undertakings, is party to an Auto Inclusion Cross Composite Guarantee dated 18 February 1999, 18 July 1999 and 29 May 2002 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 £1,763,000 (2001 – £1,200,000).
- (b) The company, together with certain fellow subsidiary undertakings, is also party to a guarantee dated 26 August 1998 to National Westminster Bank PLC as security for loans borrowed by the company's fellow subsidiary undertaking Conran Finance Limited. As at the balance sheet date, the total loan indebtedness covered by the Guarantee was £24,259,000 (2001 – £23,112,000). The maximum indebtedness possible under the bank loan facility is £25,000,000 (2001 – £25,000,000).
- (c) Following initial enquiries by the Inland Revenue into National Insurance Contributions, a contingent liability exists in relation to the discretionary service charge that is independently collected and managed by the tronc committee. Similar enquiries are taking place throughout the restaurant industry.

The enquiries are at a very early stage and the directors believe that the Inland Revenue's line of enquiry will not result in a liability in respect of National Insurance Contributions. The directors believe that the matter will be concluded in favour of the company in the near future.

19. 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 No. 8.

There were no other material related party transactions.

20. 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.