

2512932

# **Le Pont de la Tour Limited**

## **Report and Financial Statements**

31 March 2005

**ERNST & YOUNG**



## Le Pont de la Tour Limited

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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 2005.

### Results and dividends

The profit and loss account is set out on page 6 and shows a profit before taxation for the year of £796,000 (2004 – £959,000). Dividends for the year amounted to £700,000 (2004 – £750,000).

### Principal activity 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 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.

By order of the Board



Secretary

23 November 2005

## 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 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 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 19. These financial statements have been prepared on the basis of 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**

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.

## **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 of the state of affairs of the company as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP

Registered Auditor

London

23 NOVEMBER 2005

## Profit and loss account

for the year ended 31 March 2005

	Notes	2005 £000	2004 £000
<b>Turnover</b>	2	7,080	7,345
Cost of sales		(6,034)	(6,122)
<b>Gross profit</b>		1,046	1,223
Administrative expenses		(290)	(306)
<b>Operating profit</b>	3	756	917
Interest receivable	6	40	42
<b>Profit on ordinary activities before taxation</b>		796	959
Tax on profit on ordinary activities	7	(248)	(326)
<b>Profit on ordinary activities after taxation</b>		548	633
Dividends	8	(700)	(750)
<b>Recognised loss for the financial year</b>		(152)	(117)

## Statement of total recognised gains and losses

for the year ended 31 March 2005

There are no recognised gains or losses other than the profit attributable to the shareholders of the company for the year of £548,000 (2004 – £633,000).

## Balance sheet

at 31 March 2005

	Notes	2005 £000	2004 £000
<b>Fixed assets</b>			
Tangible assets	9	854	924
<b>Current assets</b>			
Stocks	10	276	274
Debtors	11	194	171
Cash at bank and in hand		59	198
		529	643
<b>Creditors:</b> amounts falling due within one year	12	(814)	(828)
<b>Net current liabilities</b>		(285)	(185)
<b>Total assets less current liabilities</b>		569	739
<b>Provision for deferred tax</b>	13	(84)	(102)
		485	637
<b>Shareholders' funds</b>			
Called up share capital	14	—	—
Profit and loss account	15	485	637
		485	637

ERNST & YOUNG

Approved by the Board

Director

23 November 2005



## Notes to the financial statements

at 31 March 2005

### 1. Accounting policies

#### Basis of preparation

The financial statements 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 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.

#### 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.

## Notes to the financial statements

at 31 March 2005

### 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:

	2005	2004
	£000	£000
Depreciation	213	228
Auditors' remuneration	10	9
Operating leases – property	374	381
	<u>          </u>	<u>          </u>

### 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.

### 5. Staff costs

Staff costs consist of:

	2005	2004
	£000	£000
Wages and salaries	1,786	1,732
Social security	129	127
Pension costs	11	14
	<u>          </u>	<u>          </u>
	1,926	1,873
	<u>          </u>	<u>          </u>

The average full-time equivalent number of persons employed by the company during the year was 127 (2004 – 123).

### 6. Interest receivable

	2005	2004
	£000	£000
Interest receivable from group undertakings	40	42
	<u>          </u>	<u>          </u>

## Notes to the financial statements

at 31 March 2005

### 7. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2005 £000	2004 £000
Current tax:		
UK corporation tax	265	293
Tax underprovided in previous years	1	-
<b>Total current tax (note 7 (b))</b>	<b>266</b>	<b>293</b>
Deferred tax:		
Origination and reversal of timing differences	(16)	33
Tax overprovided in previous years	(2)	-
<b>Total deferred tax (note 14)</b>	<b>(18)</b>	<b>33</b>
<b>Tax on profit on ordinary activities</b>	<b>248</b>	<b>326</b>

(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% (2004 – 30%). The differences are reconciled below:

	2005 £000	2004 £000
Profit on ordinary activities before tax	796	959
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	239	288
Expenditure not deductible for tax purposes	10	6
Depreciation in excess of capital allowances/(capital allowances for the year in excess of depreciation)	16	(1)
Tax underprovided in previous years	1	-
<b>Total current tax (note 7(a))</b>	<b>266</b>	<b>293</b>

### 8. Dividends

	2005 £000	2004 £000
Equity dividends on ordinary shares:		
Interim paid	450	450
Final paid	250	300
	<b>700</b>	<b>750</b>

## Notes to the financial statements

at 31 March 2005

## 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 2004	1,397	955	880	3,232
Additions	29	85	29	143
At 31 March 2005	1,426	1,040	909	3,375
Depreciation:				
At 1 April 2004	697	834	777	2,308
Provided during the year	66	75	72	213
At 31 March 2005	763	909	849	2,521
Net book value:				
At 31 March 2005	663	131	60	854
At 31 March 2004	700	121	103	924

## 10. Stocks

	<i>2005</i>	<i>2004</i>
	<i>£000</i>	<i>£000</i>
Goods for resale	8	12
Raw materials and consumables	144	154
Crockery, linen and staff uniforms	124	108
	276	274

## 11. Debtors

	<i>2005</i>	<i>2004</i>
	<i>£000</i>	<i>£000</i>
Trade debtors	88	115
Amounts owed by group undertakings	83	36
Other debtors	8	5
Prepayments and accrued income	15	15
	194	171

## Notes to the financial statements

at 31 March 2005

### 12. Creditors: amounts falling due within one year

	2005 £000	2004 £000
Trade creditors	358	328
Amounts owed to group undertakings	32	56
Amounts owed to group undertakings in respect of group relief	120	129
Other taxation and social security	100	124
Other creditors	99	61
Accruals and deferred income	105	130
	<u>814</u>	<u>828</u>

### 13. Provision for deferred tax

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

	2005 £000	2004 £000
Accelerated capital allowances	84	102
Provision for deferred tax	<u>84</u>	<u>102</u>
	2005 £000	2004 £000
At 1 April	102	69
Deferred tax (credit)/charge in profit and loss account	(18)	33
At 31 March	<u>84</u>	<u>102</u>

### 14. Share capital

	Authorised		Allotted, called up and fully paid	
	2005	2004	2005	2004
	£	£	£	£
Ordinary shares of £1 each	1,000	1,000	200	200

## Notes to the financial statements

at 31 March 2005

### 15. Reconciliation of shareholders' funds and movement on reserves

	<i>Profit and loss account 2005 £000</i>	<i>Total share- holders' funds 2005 £000</i>	<i>Total share- holders' funds 2004 £000</i>
At 1 April	637	637	754
Profit after taxation	548	548	633
Dividends	(700)	(700)	(750)
At 31 March	<u>485</u>	<u>485</u>	<u>637</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 2005 £000</i>	<i>Property 2004 £000</i>
Operating leases which expire:		
– within one year	–	16
– after more than 5 years	356	354
	<u>356</u>	<u>370</u>

## Notes to the financial statements

at 31 March 2005

### 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 £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 £17,279,000 and the maximum indebtedness permissible under the facilities was £19,750,000. As at the date of signing of these financial statements, the total indebtedness had reduced to £5,000,000 and the maximum indebtedness permissible under the facilities had reduced to £7,000,000.

- (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 directors do not believe that the Inland Revenue's enquiry will result in a material liability in respect of National Insurance Contributions.

### 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.