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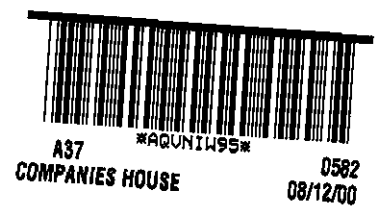
TRM Tisch Limited

Report and Financial Statements

52 weeks ended

27 June 1999

IBDO
BDO Stoy Hayward
Chartered Accountants



TRM TISCH LIMITED

Annual report and financial statements for the 52 weeks ended 27 June 1999

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Directors

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Directors

A K Bassadone
T J D Power

Secretary and registered office

B D Bartman, 1 Neal's Yard, London, WC2H 9DP.

Company number

02594188

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

TRM TISCH LIMITED

Report of the directors for the 52 weeks ended 27 June 1999

The directors present their report together with the audited financial statements for the 52 weeks ended 27 June 1999.

Results and dividends

The profit and loss account is set out on page 4 and shows the loss for the period.

The directors do not propose the payment of a final dividend.

Principal activities, trading review and future developments

The principal activity of the company is that of operating restaurants.

The results for the period were affected by initial opening losses incurred by new restaurants, and the directors expect an improvement in the coming period.

On 1 July 1999, the business and assets of Kreek Limited were transferred to the company.

Year 2000

The directors are reviewing the likely impact of the Year 2000 issue on the company's operations. They do not consider that the business will be affected to any significant extent, nor do they anticipate any material cost being incurred in addressing the issue.

Charitable contributions

During the year the company made charitable contributions of £7,056 (1998 - £1,550).

Directors

The directors of the company during the period were:

A K Bassadone
T J D Power

No director had any interest in the ordinary shares of the company.

A K Bassadone is also a director of the ultimate parent company, Belgo Group PLC, and their interests in the share capital of that company are shown in its financial statements.

TRM TISCH LIMITED

Report of the directors for the 52 weeks ended 27 June 1999 (*Continued*)

Directors' responsibilities

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 year. 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 departure 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.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

B D Bartman



Secretary

8 October 1999

TRM TISCH LIMITED

Report of the auditors

To the shareholders of TRM Tisch Limited

We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 the company's affairs as at 27 June 1999 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*
London

8 October 1999

TRM TISCH LIMITED**Profit and loss account for the 52 weeks ended 27 June 1999**

	Note	52 weeks ended 27 June 1999 £	15 months ended 30 June 1998 £
Turnover	2	3,279,244	2,352,001
Cost of sales		(965,066)	(686,079)
Gross profit		2,314,178	1,665,922
Administrative expenses		(3,214,135)	(1,284,761)
Operating (loss)/profit	5	(899,957)	381,161
Interest receivable		23,167	17,323
Interest payable and similar charges	6	(1,173)	(9,592)
(Loss)/profit on ordinary activities before taxation		(877,963)	388,892
Taxation (credit)/charge on (loss)/profit from ordinary activities	7	(313,000)	93,843
(Loss)/profit on ordinary activities after taxation		(564,963)	295,049
Dividends	8	-	(139,330)
Retained (loss)/profit for the period		(564,963)	155,719

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The loss for the period represents the movement in shareholders' funds.

The notes on pages 6 to 13 form part of these financial statements.

TRM TISCH LIMITED

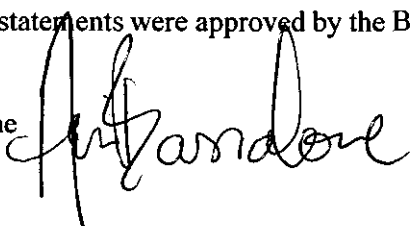
Balance sheet at 27 June 1999

	Note	27 June 1999		30 June 1998	
		£	£	£	£
Fixed assets					
Tangible assets	9		1,460,146		763,932
Investments	10		2		2
			<hr/>		<hr/>
			1,460,148		763,934
Current assets					
Stocks	11	160,311		33,731	
Debtors	12	2,650,223		1,141,044	
Cash at bank and in hand		47,566		647,036	
		<hr/>		<hr/>	
			2,858,100		1,821,811
Creditors: amounts falling due within one year	13	3,637,038		1,307,898	
		<hr/>		<hr/>	
Net current (liabilities)/assets			(778,938)		513,913
			<hr/>		<hr/>
Total assets less current liabilities			681,210		1,277,847
			<hr/>		<hr/>
Creditors: amounts falling due after more than one year	14		-		(31,674)
			<hr/>		<hr/>
Net assets			681,210		1,246,173
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	15	69,665		69,665	
Share premium account	16	241,292		241,292	
Profit and loss account	16	370,253		935,216	
		<hr/>		<hr/>	
Shareholders' funds	17		681,210		1,246,173
			<hr/>		<hr/>

All amounts within shareholders' funds are equity.

The financial statements were approved by the Board on 8 October 1999

A K Bassadone
Director



The notes on pages 6 to 13 form part of these financial statements.

TRM TISCH LIMITED

Notes forming part of the financial statements for the 52 weeks ended 27 June 1999

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents retail cash sales to outside customers less value added tax.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Leasehold properties and improvements	- over the lease term
Fixtures, fittings and kitchen equipment	- 10% straight line
Plant and machinery	- 10% straight line
Computer equipment	- 33 ⅓% straight line
Motor vehicles	- 20% straight line

Leasehold properties and improvements include development expenditure which is written off over 2 years.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the year of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

TRM TISCH LIMITED

Notes forming part of the financial statements for the 52 weeks ended 27 June 1999 (*Continued*)

1 Accounting policies (*Continued*)

Pension costs

The company contributes to the defined contribution pension schemes of certain employees and these costs are charged to the profit and loss account in the year in which they become payable.

2 Turnover

Turnover is wholly attributable to the principal activity of the company, ie a restaurant operator, and arises solely within the United Kingdom.

3 Employees

	52 weeks ended 27 June 1999 £	15 months ended 30 June 1998 £
Staff costs consist of:		
Wages and salaries	1,831,434	1,105,495
Social security costs	175,231	94,520
Other pension costs	7,928	6,718
	<u>2,014,593</u>	<u>1,206,733</u>

The average number of employees, including directors, during the year was 125 (1998 - 61).

4 Directors

	52 weeks ended 27 June 1999 £	15 months ended 30 June 1998 £
Directors' emoluments consist of:		
Fees and remuneration for management services	165,000	37,656
Amounts paid to defined contribution pension scheme	5,967	4,051
	<u>170,967</u>	<u>41,707</u>

TRM TISCH LIMITEDNotes forming part of the financial statements for the 52 weeks ended 27 June 1999 (*Continued*)**5 Operating profit**

	52 weeks ended 27 June 1999 £	15 months ended 30 June 1998 £
This has been arrived at after charging/(crediting):		
Depreciation	161,169	101,772
Operating leases - land and buildings	80,580	96,289
Operating leases - plant and machinery	8,178	11,170
Auditors' remuneration	10,500	10,500
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	52 weeks ended 27 June 1999 £	15 months ended 30 June 1998 £
Bank loans and overdrafts	-	8,310
Finance leases	1,173	1,282
	<u> </u>	<u> </u>
	1,173	9,592
	<u> </u>	<u> </u>

7 Taxation on profit from ordinary activities

	52 weeks ended 27 June 1999 £	15 months ended 30 June 1998 £
Tax (credit)/charge	(313,000)	93,843
	<u> </u>	<u> </u>

The tax credit arises in respect of group relief.

8 Dividends

	52 weeks ended 27 June 1999 £	15 months ended 30 June 1998 £
Ordinary - paid £Nil (1998 - £2.00) per share	-	139,330
	<u> </u>	<u> </u>

TRM TISCH LIMITED

Notes forming part of the financial statements for the 52 weeks ended 27 June 1999 (*Continued*)

9 Tangible assets

	Short leasehold properties and improvements £	Fixtures, fittings and kitchen equipment £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 July 1998	700,302	408,436	34,150	1,142,888
Additions	5,642	912,038	5,953	923,633
Intercompany transfers	(66,250)	-	-	(66,250)
	<hr/>	<hr/>	<hr/>	<hr/>
At 27 June 1999	639,694	1,320,474	40,103	2,000,271
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 July 1998	179,679	198,708	569	378,956
Provided for the year	58,232	95,565	7,372	161,169
	<hr/>	<hr/>	<hr/>	<hr/>
At 27 June 1999	237,911	294,273	7,941	540,125
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 27 June 1999	401,783	1,026,201	32,162	1,460,146
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1998	520,623	209,728	33,581	763,932
	<hr/>	<hr/>	<hr/>	<hr/>

Included in leasehold improvements are development costs with a net book value of £17,010 (1998 - £34,019).

The net book value of tangible fixed assets includes an amount of £6,087 (1998 - £19,467) in respect of assets held under finance leases. The related depreciation charge for the year was £13,380 (1998 - £16,725).

TRM TISCH LIMITEDNotes forming part of the financial statements for the 52 weeks ended 27 June 1999 *(Continued)***10 Fixed asset investments**

	Shares in subsidiary (unlisted) undertaking £
Cost	
At 1 July 1998 and at 27 June 1999	2

In the opinion of the directors, the aggregate value of the company's investment in the subsidiary undertaking is not less than the amount included in the balance sheet.

The company holds 100% of the share capital of the following company:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertaking			
Kreek Limited	England	Ordinary	100

The aggregate amount of capital and reserves and the results of this undertaking for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Kreek Limited	2,787,801	1,853,407

The company has taken advantage of the exemption under Section 228 of the Companies Act 1985 not to prepare group accounts as it is a wholly owned subsidiary of a company which produces group accounts.

11 Stocks

	27 June 1999 £	30 June 1998 £
Goods held for resale	160,311	33,731

There is no material difference between the replacement cost of stocks and the amounts stated above.

TRM TISCH LIMITED

Notes forming part of the financial statements for the 52 weeks ended 27 June 1999 (Continued)

12 Debtors

	27 June 1999	30 June 1998
	£	£
Trade debtors	150,841	119,421
Amounts owed by group undertakings	2,396,085	788,143
Other debtors	-	160,015
Prepayments and accrued income	67,477	73,465
ACT recoverable	35,820	-
	<hr/>	<hr/>
	2,650,223	1,141,044
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

13 Creditors: amounts falling due within one year

	27 June 1999	30 June 1998
	£	£
Bank loans and overdrafts	-	99,603
Trade creditors	455,310	226,274
Amounts owed to group undertakings	2,624,547	632,913
Taxation and social security	140,462	28,185
Corporation tax	73,796	129,426
Other creditors	57,026	28,258
Obligations under finance leases	19,291	29,863
Accruals and deferred income	266,606	133,376
	<hr/>	<hr/>
	3,637,038	1,307,898
	<hr/>	<hr/>

14 Creditors: amounts falling due after more than one year

	27 June 1999	30 June 1998
	£	£
Obligations under finance leases	-	31,674
	<hr/>	<hr/>
Obligations under finance leases are due as follows:		
Within one to two years	-	25,494
Within two to five years	-	6,180
	<hr/>	<hr/>
	-	31,674
	<hr/>	<hr/>

TRM TISCH LIMITED

Notes forming part of the financial statements for the 52 weeks ended 27 June 1999 (*Continued*)

15 Share capital

	Authorised		Allotted, called up and fully paid	
	27 June 1999	30 June 1998	27 June 1999	30 June 1998
	£	£	£	£
Ordinary shares of £1 each	100,000	100,000	69,665	69,665

16 Reserves

	Share premium account £	Profit and loss account £
At 1 July 1998	241,292	935,216
Retained loss for year	-	(564,963)
At 27 June 1999	241,292	370,253

17 Commitments under operating leases

As at 27 June 1999, the company had annual commitments under non-cancellable operating leases as set out below:

	27 June 1999		30 June 1998	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	4,184	-	3,994
In two to five years	15,000	-	15,000	4,184
Over five years	65,580	-	65,580	-
	80,580	4,184	80,580	8,178

TRM TISCH LIMITED

Notes forming part of the financial statements for the 52 weeks ended 27 June 1999 (*Continued*)

18 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard No 8, 'Related Party Transactions', not to disclose any transactions with entities that are included in the consolidated financial statements of Belgo Group PLC.

19 Cash flow statement

The company has used the exemption under Financial Reporting Standard No 1, 'Cash Flow Statements', not to prepare a cash flow statement as it is a wholly owned subsidiary of a company which produces a consolidated cash flow statement.

20 Ultimate parent company

At 27 June 1999 the company's ultimate parent company was Belgo Group PLC which is the parent of both the smallest and largest groups of which the company is a member.

Copies of the consolidated financial statements of Belgo Group PLC are available from 1 Neal's Yard, London, WC2H 9DP.