

**REGISTRAR OF
COMPANIES**

TRM Tisch Limited

Report and Financial Statements

Period Ended

1 July 2001



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BDO
BDO Stoy Hayward
Chartered Accountants

TRM TISCH LIMITED

Annual report and financial statements for the period ended 1 July 2001

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Director

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Director

A K Bassadone

Secretary and registered office

B D Bartman, Third Floor, 28-30 Litchfield Street, London, WC2H 9NJ.

Company number

2594188

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

TRM TISCH LIMITED

Report of the director for the period ended 1 July 2001

The director presents his report together with the audited financial statements for the period ended 1 July 2001.

Results and dividends

The profit and loss account is set out on page 5 and shows the result for the period.

The director does 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 director is disappointed with the result for the period and is hopeful that trading conditions will improve in the future.

Director

The director of the company during the period was:

A K Bassadone

The director had no interest in the ordinary shares of the company.

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

Director's responsibilities

Company law requires the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

TRM TISCH LIMITED

Report of the director for the period ended 1 July 2001 (*Continued*)

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

Date

29.4.02

TRM TISCH LIMITED

Report of the independent auditors

To the shareholders of TRM Tisch Limited

We have audited the financial statements of TRM Tisch Limited for the period ended 1 July 2001 on pages 5 to 13 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

The director's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are 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 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 Director's 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 Director's 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.

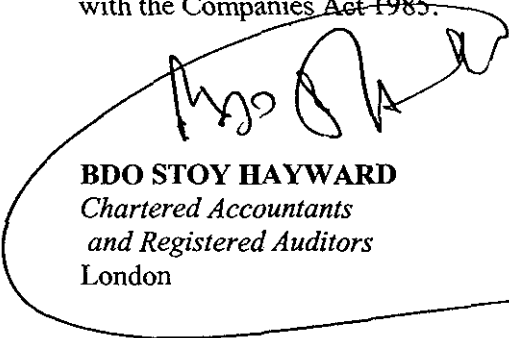
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

TRM TISCH LIMITED

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 1 July 2001 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

29 April 2002

TRM TISCH LIMITED
Profit and loss account for the period ended 1 July 2001

	Note	Period ended 1 July 2001 £	Period ended 2 July 2000 £
Turnover - continuing activities	2	13,381,876	6,311,628
- acquisitions		-	5,941,801
		<hr/>	<hr/>
		13,381,876	12,253,429
Cost of sales		(3,872,654)	(3,579,420)
		<hr/>	<hr/>
Gross profit		9,509,222	8,674,009
Administrative expenses		(9,851,553)	(7,394,625)
Provision for impairment of tangible fixed assets	8	(2,700,390)	-
		<hr/>	<hr/>
Operating profit - continuing activities	5	(3,042,721)	61,209
- acquisitions		-	1,218,175
		<hr/>	<hr/>
		(3,042,721)	1,279,384
Interest receivable		83,492	6,408
Interest payable and similar charges	6	(189,492)	(5,337)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(3,148,721)	1,280,455
Taxation charge on profit from ordinary activities	7	75,000	265,076
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation and retained for the year		(3,223,721)	1,015,379
Retained profit brought forward		1,385,632	370,253
		<hr/>	<hr/>
Retained (loss)/profit carried forward		(1,838,089)	1,385,632
		<hr/>	<hr/>

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 7 to 13 form part of these financial statements.

TRM TISCH LIMITED

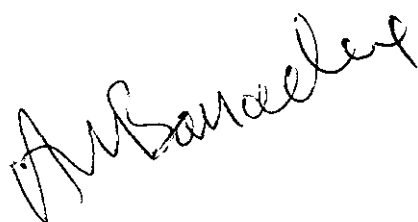
Balance sheet at 1 July 2001

	Note	1 July 2001 £	1 July 2001 £	2 July 2000 £	2 July 2000 £
Fixed assets					
Tangible assets	8		6,982,242		4,332,154
Investments	9		2		2
			<hr/>		<hr/>
			6,982,244		4,332,156
Current assets					
Stocks	10	255,227		204,633	
Debtors	11	23,021,214		15,953,797	
		<hr/>		<hr/>	
		23,276,441		16,158,430	
Creditors: amounts falling due within one year	12	31,785,817		18,793,997	
		<hr/>		<hr/>	
Net current liabilities			(8,509,376)		(2,635,567)
			<hr/>		<hr/>
Total assets less current liabilities			(1,527,132)		1,696,589
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	13		69,665		69,665
Share premium account			241,292		241,292
Profit and loss account			(1,838,089)		1,385,632
			<hr/>		<hr/>
Shareholders' funds			(1,527,132)		1,696,589
			<hr/>		<hr/>

The financial statements were approved by the Board on

A K Bassadone
Director

29.4.02



The notes on pages 7 to 13 form part of these financial statements.

TRM TISCH LIMITED

Notes forming part of the financial statements for the period ended 1 July 2001

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 sales to outside customers at invoiced amounts 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 1/3% straight line
Motor vehicles	-	20% straight line

Impairment of fixed assets and goodwill

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

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.

TRM TISCH LIMITED

Notes forming part of the financial statements for the period ended 1 July 2001 (*Continued*)

1 Accounting policies (*Continued*)

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.

Pensions

Contributions to the company's defined contribution scheme 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

	Period ended 1 July 2001 £	Period ended 2 July 2000 £
Staff costs consist of:		
Wages and salaries	4,267,043	3,178,860
Social security costs	309,693	265,586
Other pension costs	35,307	13,538
	<hr/>	<hr/>
	4,612,043	3,457,984
	<hr/>	<hr/>

The average number of employees, including directors, during the year was 390 (2000 - 297).

TRM TISCH LIMITED**Notes forming part of the financial statements for the period ended 1 July 2001 (Continued)****4 Director**

The director did not receive any remuneration in the period from the company. A K Bassadone is a director of the ultimate parent company, and details of his emoluments are disclosed in that company's financial statements.

5 Operating profit

	Period ended 1 July 2001 £	Period ended 2 July 2000 £
This has been arrived at after charging:		
Management charge	500,000	1,000,000
Depreciation	507,310	326,912
Impairment of tangible fixed assets	2,700,390	-
Operating leases - land and buildings	768,12	448,080
Operating leases - plant and machinery	4,177	4,184
Auditors' remuneration	39,346	37,502

6 Interest payable and similar charges

	Period ended 1 July 2001 £	Period ended 2 July 2000 £
Bank loans and overdrafts	189,492	106
Finance leases	-	5,231
	<u>189,492</u>	<u>5,337</u>

7 Taxation on profit from ordinary activities

	Period ended 1 July 2001 £	Period ended 2 July 2000 £
UK current period taxation		
Corporation tax charge/(credit)	75,000	318,076
Release of deferred taxation provision	-	(53,000)
	<u>75,000</u>	<u>265,076</u>

TRM TISCH LIMITED

Notes forming part of the financial statements for the period ended 1 July 2001 (*Continued*)

8 Tangible assets

	Short leasehold properties and improvements £	Fixtures, fittings and kitchen equipment £	Motor vehicles £	Total £
<i>Cost</i>				
At 2 July 2000	3,473,974	2,226,596	51,148	5,751,718
Transfer from group company	4,607,111	-	-	4,607,111
Additions	761,027	575,650	-	1,336,677
At 1 July 2001	8,842,112	2,802,246	51,148	11,695,506
<i>Depreciation</i>				
At 2 July 2000	627,335	774,860	17,369	1,419,564
Transfer from group company	86,000	-	-	86,000
Provided for the year	217,844	279,309	10,157	507,310
Impairment	2,700,390	-	-	2,700,390
At 1 July 2001	3,631,569	1,054,169	27,526	4,713,264
<i>Net book value</i>				
At 1 July 2001	5,210,543	1,748,077	23,622	6,982,242
At 2 July 2000	2,846,639	1,451,736	33,779	4,332,154

The provisions for impairment of tangible fixed assets were made in accordance with FRS 11 – "Impairment of fixed assets and goodwill", and relate to the reassessment of the carrying value of certain assets.

TRM TISCH LIMITED

Notes forming part of the financial statements for the period ended 1 July 2001 (*Continued*)

9 Fixed asset investments

	Shares in subsidiary (unlisted) undertakings £
Cost	
At 2 July 2000 and at 1 July 2001	2

In the opinion of the directors, the aggregate value of the company's investment in the subsidiary undertakings 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 %
<i>Subsidiary undertaking</i>			
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	2,225,428	2,225,430

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.

10 Stocks

	1 July 2001 £	2 July 2000 £
Goods held for resale	255,227	204,633

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 period ended 1 July 2001 (*Continued*)

11 Debtors

	1 July 2001 £	2 July 2000 £
Trade debtors	159,329	292,001
Amounts owed by group undertakings	22,138,313	15,105,416
Other debtors	118,401	113,157
Prepayments and accrued income	605,171	407,403
ACT recoverable	-	35,820
	<u>23,021,214</u>	<u>15,953,797</u>

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

12 Creditors: amounts falling due within one year

	1 July 2001 £	2 July 2000 £
Bank loans and overdrafts	584,587	117,878
Trade creditors	852,275	1,267,219
Amounts owed to group undertakings	29,011,201	15,689,868
Taxation and social security	396,422	408,706
Corporation tax	183,774	691,518
Other creditors	326,439	138,355
Obligations under finance leases	7,852	25,793
Accruals and deferred income	423,267	454,660
	<u>31,785,817</u>	<u>18,793,997</u>

13 Share capital

	Authorised		Allotted, called up and fully paid	
	1 July 2001 £	2 July 2000 £	1 July 2001 £	2 July 2000 £
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>69,665</u>	<u>69,665</u>

TRM TISCH LIMITED

Notes forming part of the financial statements for the period ended 1 July 2001 (*Continued*)

14 Commitments under operating leases

As at 1 July 2001, the company had annual commitments under non-cancellable operating leases as set out below:

	1 July 2001 Land and buildings £	1 July 2001 Other £	2 July 2000 Land and buildings £	2 July 2000 Other £
Operating leases which expire:				
Within one year	10,000	-	-	-
In two to five years	-	7,239	15,000	-
Over five years	437,094	-	433,080	-
	<u>447,094</u>	<u>7,239</u>	<u>448,080</u>	<u>-</u>

15 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.

16 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.

17 Ultimate parent company

At 1 July 2001 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 28-30 Litchfield Street, London, WC2H 9NJ.