

Company Registration No. 03054967 (England and Wales)

BERKELEY ADAM LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003



BERKELEY ADAM LIMITED

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BERKELEY ADAM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and financial statements for the year ended 31 December 2003.

Principal activities and review of the business

The principal activity of the company during the year was that of a holding company.

The directors are satisfied with the results for the year and expect to achieve a similar performance in the future.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 2003:

J Amyuni	
B Clivaz	(Resigned 23 January 2004)
R Farleigh	
L Issacson	
M Neal	
D Norwood	
J A Watney	
S Winston	

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of 1p each	
	31 December 2003	1 January 2003
J Amyuni	-	-
B Clivaz	5,500	5,500
R Farleigh	32,760	32,760
L Issacson	6,629	6,629
M Neal	-	-
D Norwood	153	153
J A Watney	2,364	2,364
S Winston	1,737	1,737

	'B' convertible shares of 1p each	
	31 December 2003	1 January 2003
J Amyuni	-	-
B Clivaz	5,000	5,000
R Farleigh	-	-
L Issacson	-	-
M Neal	-	-
D Norwood	-	-
J A Watney	-	-
S Winston	1,250	1,250

BERKELEY ADAM LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

J Amyuni and M Neal did not hold any interest in any of the shares of the Company during the year.

R Farleigh, L Issacson, D Norwood and J A Watney did not hold any interest in the convertible B shares during the year.

Auditors

A resolution to re-appoint Harris & Trotter LLP as auditors to the Company will be proposed at the Annual General Meeting.

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 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;
- 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.

On behalf of the board



S Winston

Director

14 June 2004

BERKELEY ADAM LIMITED

INDEPENDENT AUDITORS' REPORT TO BERKELEY ADAM LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 13, together with the financial statements of the company for the year ended 31 December 2003 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B 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 auditor's 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 preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 13 are properly prepared in accordance with that provision.



Harris & Trotter LLP

14 June 2004

Chartered Accountants
Registered Auditor

65 New Cavendish Street
London W1G 7LS

BERKELEY ADAM LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

		2003	2002
	Notes	£	£
Gross profit		1,190,052	1,408,000
Administrative expenses		(497,678)	(675,135)
		<hr/>	<hr/>
Operating profit	2	692,374	732,865
Interest payable and similar charges	3	(690,607)	(493,224)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,767	239,641
Tax on profit on ordinary activities	4	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation	11	<u>1,767</u>	<u>239,641</u>

BERKELEY ADAM LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	5	8,033,480		8,225,237	
Investments	6	50,003		50,003	
		<u>8,083,483</u>		<u>8,275,240</u>	
Current assets					
Debtors	7	4,582,665		4,010,405	
Cash at bank and in hand		-		301,216	
		<u>4,582,665</u>		<u>4,311,621</u>	
Creditors: amounts falling due within one year	8	<u>(1,530,205)</u>		<u>(983,241)</u>	
Net current assets		<u>3,052,460</u>		<u>3,328,380</u>	
Total assets less current liabilities		<u>11,135,943</u>		<u>11,603,620</u>	
Creditors: amounts falling due after more than one year	9	<u>(7,576,390)</u>		<u>(8,045,834)</u>	
		<u>3,559,553</u>		<u>3,557,786</u>	
Capital and reserves					
Called up share capital	10	1,186		1,186	
Share premium account	11	5,591,943		5,591,943	
Profit and loss account	11	<u>(2,033,576)</u>		<u>(2,035,343)</u>	
Shareholders' funds - equity interests	12	<u>3,559,553</u>		<u>3,557,786</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 14 June 2004

R Farleigh
Director

S Winston
Director

BERKELEY ADAM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

	2003		2002	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		857,845		(2,231,749)
Returns on investments and servicing of finance				
Interest paid	(690,607)		(493,224)	
Net cash outflow for returns on investments and servicing of finance		(690,607)		(493,224)
Capital expenditure				
Payments to acquire tangible assets	-		(20,942)	
Receipts from sales of tangible assets	-		12,916	
Net cash outflow for capital expenditure		-		(8,026)
Net cash inflow/(outflow) before management of liquid resources and financing		167,238		(2,732,999)
Financing				
Issue of ordinary share capital	-		490,304	
New long term bank loan	-		3,250,000	
Other new short term loans	-		469,444	
Repayment of long term bank loan	(469,444)		(532,291)	
Repayment of other short term loans	-		(171,875)	
Net cash (outflow)/inflow from financing		(469,444)		3,505,582
(Decrease)/increase in cash in the year		(302,206)		772,583

BERKELEY ADAM LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2003		2002	
		£		£	
	Operating profit	692,374		732,865	
	Depreciation of tangible assets	191,757		245,639	
	Profit on disposal of tangible assets	-		(911)	
	Increase in debtors	(572,260)		(2,692,555)	
	Increase/(decrease) in creditors within one year	545,974		(516,787)	
	Net cash inflow/(outflow) from operating activities	857,845		(2,231,749)	
2	Analysis of net debt	1 January 2003	Cash flow	Other non-cash changes	31 December 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	301,216	(301,216)	-	-
	Bank overdrafts	(497,069)	(990)	-	(498,059)
		(195,853)	(302,206)	-	(498,059)
	Debt:				
	Debts falling due within one year	(469,444)	-	-	(469,444)
	Debts falling due after one year	(8,045,834)	469,444	-	(7,576,390)
		(8,515,278)	469,444	-	(8,045,834)
	Net debt	(8,711,131)	167,238	-	(8,543,893)
3	Reconciliation of net cash flow to movement in net debt	2003		2002	
		£		£	
	(Decrease)/increase in cash in the year	(302,206)		772,583	
	Cash outflow/(inflow) from decrease/(increase) in debt	469,444		(2,605,992)	
	Movement in net debt in the year	167,238		(1,833,409)	
	Opening net debt	(8,711,131)		(6,877,722)	
	Closing net debt	(8,543,893)		(8,711,131)	

BERKELEY ADAM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents fees receivable for management services provided during the year.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over the term of the lease (50 years)
Plant and equipment	25% Straight Line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.7 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2	Operating profit	2003 £	2002 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	191,757	245,639
	Operating lease rentals	59,468	69,999
	Auditors' remuneration	-	2,102
	and after crediting:		
	Profit on disposal of tangible assets	-	(911)
		<u> </u>	<u> </u>
3	Interest payable	2003 £	2002 £
	On bank loans and overdrafts	690,607	493,224
		<u> </u>	<u> </u>

BERKELEY ADAM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

4 Taxation

	£	£
Current tax charge	-	-
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	1,767	239,641
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002: 19.00%)	336	45,532
Effects of:		
Non deductible expenses	5,152	18,701
Depreciation add back	36,434	46,671
Tax losses utilised	(41,922)	(110,904)
	(336)	(45,532)
Current tax charge	-	-

5 Tangible fixed assets

	Land and buildings Leasehold £	Plant and equipment £	Total £
Cost			
At 1 January 2003 & at 31 December 2003	8,885,035	271,238	9,156,273
Depreciation			
At 1 January 2003	673,620	257,416	931,036
Charge for the year	177,935	13,822	191,757
At 31 December 2003	851,555	271,238	1,122,793
Net book value			
At 31 December 2003	8,033,480	-	8,033,480
At 31 December 2002	8,211,415	13,822	8,225,237

BERKELEY ADAM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

6 Fixed asset investments

	Unlisted investments £	Shares in group undertakings £	Total £
Cost			
At 1 January 2003 & at 31 December 2003	50,000	3	50,003

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Scott's Restaurant Limited	England	Ordinary	100
Home House Limited	England	Ordinary	100

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

	Capital and reserves 2003 £	Profit for the year 2003 £
Scott's Restaurant Limited	(1,580,078)	(1,079,049)
Home House Limited	(165,225)	380,913

7 Debtors

	2003 £	2002 £
Trade debtors	-	5,666
Amounts owed by subsidiary undertakings	4,566,774	3,987,469
Other debtors	541	17,270
Prepayments and accrued income	15,350	-
	4,582,665	4,010,405

BERKELEY ADAM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

8	Creditors: amounts falling due within one year	2003 £	2002 £
	Bank loans and overdrafts	967,503	966,513
	Trade creditors	804	5,459
	Taxes and social security costs	6,362	5,595
	Directors' current accounts	520,000	-
	Other creditors	33,034	-
	Accruals and deferred income	2,502	5,674
		<u>1,530,205</u>	<u>983,241</u>
	Debt due in one year or less	<u>469,444</u>	<u>469,444</u>

The Bank loan and overdraft is secured by a mortgage debenture giving fixed and floating charges on all assets of the company.

9	Creditors: amounts falling due after more than one year	2003 £	2002 £
	Bank loans	<u>7,576,390</u>	<u>8,045,834</u>
	Analysis of loans		
	Not wholly repayable within five years by instalments:		
	Bank loans	<u>8,045,834</u>	<u>8,515,278</u>
		8,045,834	8,515,278
	Included in current liabilities	<u>(469,444)</u>	<u>(469,444)</u>
		<u>7,576,390</u>	<u>8,045,834</u>
	Instalments not due within five years	<u>4,637,502</u>	<u>5,737,502</u>
	Loan maturity analysis		
	In more than one year but not more than two years	469,444	469,444
	In more than two years but not more than five years	2,469,444	1,838,888
	In more than five years	<u>4,637,502</u>	<u>5,737,502</u>

The bank loan is secured by a mortgage debenture giving fixed and floating charges on all assets of the company.

BERKELEY ADAM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

10 Share capital	2003 £	2002 £
Authorised		
140,000 Ordinary shares of 1p each	1,400	1,400
10,000 'B' convertible shares of 1p each	100	100
	<u>1,500</u>	<u>1,500</u>
 Allotted, called up and fully paid		
111,100 Ordinary shares of 1p each	1,111	1,111
7,500 'B' convertible shares of 1p each	75	75
	<u>1,186</u>	<u>1,186</u>

The convertible shares convert into ordinary shares upon satisfactory compliance with a shareholders agreement and at that stage have full equity participation in the value of total shareholders' funds.

11 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2003	5,591,943	(2,035,343)
Retained profit for the year	-	1,767
	<u>5,591,943</u>	<u>(2,033,576)</u>
Balance at 31 December 2003		

12 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	1,767	239,641
Proceeds from issue of shares	-	490,304
	<u>1,767</u>	<u>729,945</u>
Net addition to shareholders' funds	3,557,786	2,827,841
Opening shareholders' funds		
Closing shareholders' funds	<u>3,559,553</u>	<u>3,557,786</u>

13 Contingent liabilities

A composite cross guarantee is in existence between Berkley Adam Limited and Home House Limited, a subsidiary undertaking, in respect of the bank loan amounting to £8,609,339.

BERKELEY ADAM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

14 Financial commitments

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2003	2002
	£	£
Expiry date:		
In over five years	133,000	77,500

15 Directors' emoluments

	2003	2002
	£	£
Emoluments for qualifying services	170,000	159,999

16 Transactions with directors

The entire turnover of the company is from management fees charged to Home House Limited, a subsidiary undertaking, during the year.

During the year the company received the following loans from the directors:

J Amyuni £130,000 (2002:£ £nil)
L Issacson £130,000 (2002:£ £nil)
M Neal £130,000 (2002:£ £nil)
R Farleigh £130,000 (2002:£ £nil).

These amounts are repayable on demand and receive interest of 8% per annum.

17 Employees

Number of employees

There were no employees during the year apart from the directors.

Employment costs	2003	2002
	£	£
Wages and salaries	170,000	159,999
Social security costs	20,375	18,391
	190,375	178,390