

DO & CO INTERNATIONAL CATERING LIMITED

DIRECTOR'S REPORT

AND

FINANCIAL STATEMENTS

31ST MARCH, 2003



DO & CO INTERNATIONAL CATERING LIMITED

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31ST MARCH, 2003

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DO & CO INTERNATIONAL CATERING LIMITED

COMPANY INFORMATION

Sole Director

A. Dogudan

Secretary and Registered Office

L. Harries
10 Orange Street,
Haymarket,
London WC2H 7DQ.

Auditors

AGN Shipleys
10 Orange Street,
Haymarket,
London WC2H 7DQ.

Bankers

Barclays Bank plc.,
Pall Mall Business Centre,
1 Pall Mall East,
London SW1Y 5AX.

DO & CO INTERNATIONAL CATERING LIMITED**DIRECTOR'S REPORT**

The director submits his report together with the audited financial statements of the company for the year ended 31st March, 2003.

ACTIVITIES, RESULTS AND FUTURE DEVELOPMENTS

The company's principal activity is the provision of catering services at sporting and entertainment events.

The results for the year are set out on page 5 of the accounts and relate predominantly to the provision of catering services at the European Motor Grand Prix. The director is confident that the company will trade profitably in the forthcoming period.

The director recommends the payment of a dividend of €77 per share (2002 : €103 per share).

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss of the company for that period. The director considers that in preparing the financial statements the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and confirms that all applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis.

The director is responsible for ensuring that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and for ensuring that the financial statements comply with the Companies Act 1985. The director also has responsibility for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SOLE DIRECTOR AND HIS INTEREST

A. Dogudan was the only director of the company throughout the period.

The interests of A. Dogudan in the share capital of the ultimate parent undertaking, Do & Co Restaurant and Catering A.G., a company registered in Austria, are noted in that company's financial statements.

AUDITORS

A resolution to reappoint AGN Shipleys as auditors will be proposed at the next Annual General Meeting.

By Order of the Sole Director

L. Harries
Secretary

23 MAR 2003

AGN s h i p l e y s*chartered accountants***10 Orange Street, Haymarket, London WC2H 7DQ****Tel: +44 (0)20 7312 0000 Fax: +44 (0)20 7312 0022****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF****DO & CO INTERNATIONAL CATERING LIMITED**

We have audited the financial statements of Do & Co International Catering Limited for the year ended 31st March, 2003, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and 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 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' responsibilities for preparing the Annual Report and 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 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

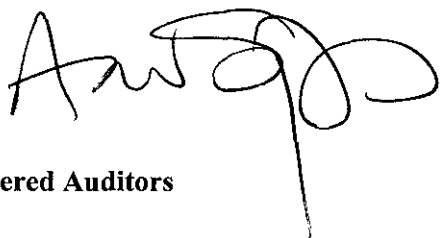
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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
DO & CO INTERNATIONAL CATERING LIMITED – CONTINUED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March, 2003 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to be 'A. J. G.', is written over the text 'Registered Auditors'.

Registered Auditors

8 MAY 2003

DO & CO INTERNATIONAL CATERING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2003

	Notes	2003 €000's	2002 €000's
TURNOVER	2	13,730	17,356
COST OF SALES		<u>(11,676)</u>	<u>(13,815)</u>
GROSS PROFIT		2,054	3,541
ADMINISTRATIVE EXPENSES		<u>(2,087)</u>	<u>(2,062)</u>
OPERATING (LOSS)/PROFIT		(33)	1,479
INTEREST RECEIVABLE	3	96	261
INTEREST PAYABLE	4	<u>(89)</u>	<u>(34)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(26)	1,706
TAXATION	7	<u>16</u>	<u>(438)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(10)	1,268
DIVIDENDS PAID AND PROPOSED	8	<u>(1,500)</u>	<u>(2,000)</u>
RETAINED (LOSS)/PROFIT FOR THE YEAR		(1,510)	(732)
RETAINED PROFIT BROUGHT FORWARD		<u>3,402</u>	<u>4,134</u>
RETAINED PROFIT CARRIED FORWARD		<u>€1,892</u>	<u>€3,402</u>

All amounts relate to continuing activities.

There have been no recognised gains or losses other than the results for the financial year, all profits and losses have been accounted for on an unmodified historical cost basis.

DO & CO INTERNATIONAL CATERING LIMITED

BALANCE SHEET

31ST MARCH, 2003

	Notes	2003 €000'S	2002 €000'S
FIXED ASSETS	9	38	112
CURRENT ASSETS			
Trade debtors		609	958
Amounts owed by group undertaking		3,687	7,486
Other debtors		32	51
Prepayments and accrued income		67	71
Cash at bank and in hand		2,537	2,855
Corporation tax		78	-
		<u>7,010</u>	<u>11,421</u>
CREDITORS: Amounts falling due within one year			
Trade creditors		155	326
Amounts due to group undertakings		2,871	3,973
Corporation tax	10	-	307
Other taxes and social security		61	165
Other creditors		-	14
Proposed dividend		1,500	2,000
Accruals and deferred income		539	1,316
		<u>5,126</u>	<u>8,101</u>
NET CURRENT ASSETS		<u>1,884</u>	<u>3,320</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>€1,922</u>	<u>€3,432</u>
CAPITAL AND RESERVES			
Called up share capital	11	30	30
Profit and loss account		<u>1,892</u>	<u>3,402</u>
EQUITY SHAREHOLDER'S FUNDS		<u>€1,922</u>	<u>€3,432</u>

Approved by the Sole Director on 28 MAY 2003

A. Dogudan - Director

The notes on pages 8 to 11 form part of these financial statements.

DO & CO INTERNATIONAL CATERING LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2003

	2003 €000's	2002 €000's
Reconciliation of operating profit to net cash inflow from operating activities		
Operating (loss)/profit	(33)	1,479
Depreciation	76	76
Decrease/(increase) in debtors	4,171	1,934
(Decrease)/increase in creditors	<u>(2,169)</u>	<u>1,618</u>
Net cash (outflow)/inflow from operating activities	<u>€2,045</u>	<u>€5,107</u>

CASH FLOW STATEMENT	€000's	€000's
Net cash (outflow)/inflow from operating activities	2,045	5,107
Returns on investment and servicing of finance (note 12)	8	225
Taxation	(369)	(1,154)
Capital expenditure and financial investment (note 12)	<u>(2)</u>	<u>(6)</u>
Cash inflow before financing	1,682	4,172
Equity dividends paid	<u>(2,000)</u>	<u>(2,500)</u>
(Decrease)/increase in cash	<u>€(318)</u>	<u>€1,672</u>

Reconciliation of net cash flow to movement in net funds (note 13)	€000's	€000's
Increase in cash in the period	<u>(318)</u>	<u>1,672</u>
Change in net funds	(318)	1,672
Net funds at 31st March, 2002	<u>2,855</u>	<u>1,183</u>
Net funds at 31st March, 2003	<u>€2,537</u>	<u>€2,855</u>

DO & CO INTERNATIONAL CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST MARCH, 2003

1. ACCOUNTING POLICIES**1.1 Accounting Convention**

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

1.2 Depreciation of Fixed Assets

Depreciation has been provided at rates calculated to write off expenditure over the useful lives of the assets. The rates are applied on cost on a straight line basis.

Fixtures, plant and equipment - 25%

1.3 Foreign Exchange

Transactions denominated in foreign currencies are translated into Euros and recorded at the rate ruling at the date of the transaction. Balances denominated in a foreign currency are translated into Euros at the exchange rates ruling on the balance sheet date, any differences being taken to the profit and loss account.

1.4 Deferred Tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the Profit and Loss account.

2. TURNOVER

Turnover represents income derived from the company's principal activity after trade discounts and net of VAT and was contributed by geographical areas as follows:-

	2003	2002
	€000's	€000's
United Kingdom	1,541	1,873
European Union	11,183	14,144
Other Europe	1,006	988
Rest of the World	-	351
	<u>€13,730</u>	<u>€17,356</u>

3. INTEREST RECEIVABLE

	€000's	€000's
Bank interest	96	15
On Inter-company loans	-	246
	<u>€96</u>	<u>€261</u>

DO & CO INTERNATIONAL CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

31ST MARCH, 2003

4.	INTEREST PAYABLE	2003	2002
		€000's	€000's
	Bank interest	-	20
	Bank charges	19	14
	Interest payable on inter-company loans	<u>70</u>	<u>-</u>
		€89	€34
		==	==
5.	PROFIT ON ORDINARY ACTIVITIES		
	BEFORE TAXATION	€000's	€000's
	The profit is stated after charging/(crediting):-		
	Auditors' remuneration		
	- as auditors	25	27
	- other services	31	70
	Foreign exchange loss/(gain)	789	37
	Rental of equipment	244	364
	Depreciation - owned assets	<u>76</u>	<u>76</u>
		=====	=====
6.	DIRECTOR AND EMPLOYEES		
		€000's	€000's
	Staff costs (including executive directors) arising during the year amounted to:-		
	Wages and salaries	3,072	3,252
	Social Security costs	<u>11</u>	<u>18</u>
		€3,083	€3,270
		=====	=====
	The average number employed by the company was:-		
		Number	Number
	Administration	4	3
	Cost of sales - part time per event	<u>346</u>	<u>338</u>
		350	341
		=====	=====
	Staff costs include the following remuneration in respect of directors:-		
	Emoluments	€ -	€ -
		=====	=====
7.	TAXATION		
		€000's	€000's
	The charge for the year is made up as follows:		
	United Kingdom corporation tax based on the profit for the year at 30%	14	525
	(Over)/Under-provision in respect of previous year	(18)	(79)
	Deferred tax	<u>(12)</u>	<u>(8)</u>
		€(16)	€438
		=====	=====
8.	DIVIDENDS PAID AND PROPOSED		
	Proposed dividend	€1,500	€2,000
		=====	=====

DO & CO INTERNATIONAL CATERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

31ST MARCH, 2003

9.	FIXED ASSETS	Fixtures and equipment	€000's	
	Cost			
	At 1st April, 2002		320	
	Additions		<u>2</u>	
	At 31st March, 2003		<u>322</u>	
	Depreciation			
	At 1st April, 2002		208	
	Charge for the year		<u>76</u>	
	At 31st March, 2003		<u>284</u>	
	Net Book Value			
	At 31st March, 2003		€38	
			==	
	At 31st March, 2002		€112	
			==	
10.	CORPORATION TAX (DEBTOR)/CREDITOR	2003	2002	
		€000's	€000's	
	UK Corporation Tax	(58)	315	
	Deferred Taxation Asset			
	- Tangible Fixed Assets	<u>(20)</u>	<u>(8)</u>	
		€(78)	€307	
		==	==	
The deferred taxation asset on tangible fixed assets arises due to timing differences between depreciation charged and capital allowances calculated for UK Corporation Tax purposes.				
11.	SHARE CAPITAL	€000's	€000's	
	Authorised			
	25,000 shares of £1 each	38	38	
		==	==	
	Allotted, called up and fully paid			
	19,500 shares of £1 each	30	30	
		==	==	
12.	GROSS CASH FLOW			
	Capital expenditure and financial investment	€000's	€000's	
	Purchase of fixed assets	2	6	
		==	==	
	Returns on investments and servicing of finance			
	Interest received	96	259	
	Interest paid	<u>(88)</u>	<u>(34)</u>	
		€8	€225	
		==	==	

DO & CO INTERNATIONAL CATERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
31ST MARCH, 2003

13.	ANALYSIS OF CHANGES IN NET FUNDS	At 31st March,	Cash	At 31st March,
		2002	Flow	2003
		€000's	€000's	€000's
	Cash at bank and in hand	2,855	(318)	2,537
		=====	=====	=====
14.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS		2003	2002
			€000's	€000's
	Shareholder's funds brought forward		3,432	4,164
	(Loss)/profit for the financial year		(10)	1,268
	Dividend proposed		(1,500)	(2,000)
	Shareholder's funds carried forward		€1,922	€3,432
			=====	=====
15.	ULTIMATE PARENT UNDERTAKING AND RELATED PARTY DISCLOSURES			

The company's ultimate parent undertaking is Do & Co Restaurant & Catering A.G. a company registered in Austria.

100% of the share capital and voting rights of Do & Co International Catering Limited are controlled by DO & CO Restaurants & Catering AG. The company has taken advantage of the exemption conferred by FRS8 for subsidiaries which are more than 90% owned not to disclose inter-group transactions and balances with the parent company, whose consolidated accounts are publicly available within the EU.