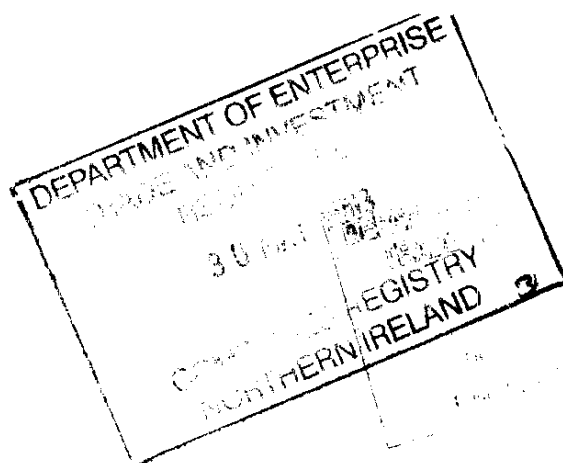


L HERBERT & SON LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2002



Company Registration Number NI2764

GOLDBLATT McGUIGAN
Chartered Accountants & Registered Auditors
Alfred House
19 Alfred Street
Belfast
BT2 8EQ

L HERBERT & SON LIMITED

THE DIRECTORS' REPORT

Year ended 31 December 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The company did not undertake any transactions on its own account, during the period.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year were as follows:

Mr M A Herbert
Mrs L E Herbert

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 5, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 (Northern Ireland) Order 1986. The directors 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

A resolution to re-appoint Goldblatt McGuigan as auditors for the ensuing year will be proposed at the annual general meeting in accordance with Article 392 of the Companies (Northern Ireland) Order 1986.

L HERBERT & SON LIMITED

THE DIRECTORS' REPORT *(continued)*

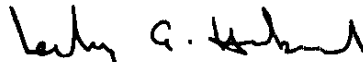
Year ended 31 December 2002

SMALL COMPANY EXEMPTIONS

This report has been prepared in accordance with the special provisions for small companies under Part VIII of the Companies (Northern Ireland) Order 1986.

Registered office:
Lesley Manor
First Floor Suite
801 Lisburn Road
Belfast
BT9 7GX

Signed on behalf of the directors



MRS L E HERBERT
Company Secretary

Approved by the directors on 03/04/03...

G O L D B L A T T
M C G U I G A N
CHARTERED ACCOUNTANTS

ALFRED HOUSE, 19 ALFRED STREET, BELFAST BT2 8EQ TEL: 028 9031 1113 FAX: 028 9031 0777

E-MAIL: accountants@goldmac.com www.goldblattmcguigan.com

L HERBERT & SON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

Year ended 31 December 2002

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, 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 31 December 2002 and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.

Alfred House
19 Alfred Street
Belfast
BT2 8EQ
3 April 2003


GOLDBLATT McGUIGAN
Chartered Accountants
& Registered Auditors

L HERBERT & SON LIMITED

BALANCE SHEET

31 December 2002

	Note	2002 £	2001 £
CURRENT ASSETS			
Debtors due after one year	3	483,086	483,086
CREDITORS: Amounts falling due within one year	4	<u>(46,086)</u>	<u>(46,086)</u>
NET CURRENT ASSETS		<u>437,000</u>	<u>437,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>437,000</u>	<u>437,000</u>
CAPITAL AND RESERVES			
Called-up equity share capital	6	<u>437,000</u>	<u>437,000</u>
SHAREHOLDERS' FUNDS	7	<u>437,000</u>	<u>437,000</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VIII of the Companies (Northern Ireland) Order 1986.

These financial statements were approved by the directors on the 03/04/03... and are signed on their behalf by:

.....
MR M A HERBERT

Director

.....
MRS L E HERBERT

Director

The notes on pages 5 to 6 form part of these financial statements.

L HERBERT & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

2. PROFIT AND LOSS ACCOUNT

As there have been no transactions during the year, there are no entries to the profit and loss account.

3. DEBTORS

	2002	2001
	£	£
Amounts owed by group undertakings	<u>483,086</u>	<u>483,086</u>

The debtors above include the following amounts falling due after more than one year:

	2002	2001
	£	£
Amounts owed by group undertakings	<u>483,086</u>	<u>483,086</u>

4. CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Amounts owed to group undertakings	<u>46,086</u>	<u>46,086</u>

The company holds legal title to a number of properties in which beneficial interest rests with the holding company. The properties and related loans are disclosed in the accounts of the holding company

5. RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary and consolidated accounts have been prepared for the group which are publicly available, the directors have taken advantage of the exemption from disclosing related party transactions with group companies, in accordance with Financial Reporting Standard No 8, Related Party Disclosures.

L HERBERT & SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2002

6. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	<u>437,000</u>	<u>437,000</u>

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Opening shareholders' equity funds	<u>437,000</u>	<u>437,000</u>
Closing shareholders' equity funds	<u>437,000</u>	<u>437,000</u>

8. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Herbel Restaurants Limited, a company incorporated in Northern Ireland. Copies of group accounts may be obtained from Lesley Manor, First Floor Suite, 801 Lisburn Road, Belfast BT9 7GX.