

PONTRALE LIMITED
TRADING AS
PARCO'S RESTAURANT
FINANCIAL STATEMENTS

31.5.1997

Registered number: 02786896

M N HAQUE & CO.
CHARTERED ACCOUNTANTS
London



PONTRALE LIMITED
TRADING AS PARCO'S RESTAURANT
FINANCIAL STATEMENTS
for the year ended 31.5.1997

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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PONTRALE LIMITED

TRADING AS PARCO'S RESTAURANT

COMPANY INFORMATION

31.5.1997

INCORPORATED	In England & Wales on 4 February 1993
NUMBER	02786896
CHAIRMAN	Mrs. G.A. Khalil
OTHER DIRECTORS	Mr. K.A. Khalil
SECRETARY	Mr. K. A. Khalil
REGISTERED OFFICE	Pontrale Limited Sedgwick Centre 1 Whitechapel High Street London E1 7PJ.
AUDITORS	M N Haque & Co. Chartered Accountants Ground Floor 203 Mile End Road London E1 4AA

PONTRALE LIMITED
TRADING AS PARCO'S RESTAURANT
DIRECTORS' REPORT

31.5.1997

The directors present their report and the audited financial statements for the year ended 31.5.1997.

Principal activity

The principal activity of the company was the provision of Restaurant Services.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £32,933.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. An ordinary dividend amounting to £60,000 is proposed.

Fixed assets

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 8.

Directors

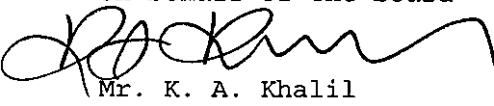
The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31.5.1997 Ordinary shares	1.6.1996 Ordinary shares
Mrs. G.A. Khalil	99	99
Mr. K.A. Khalil	1	1
	-	-

Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary M N Haque & Co. will continue in office.

On behalf of the board


Mr. K. A. Khalil
Secretary

Pontrale Limited
Sedgwick Centre
1 Whitechapel High Street
London E1 7PJ.

8 September 1998

PONTRALE LIMITED

TRADING AS PARCO'S RESTAURANT

STATEMENT OF 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 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.

8 September 1998

On behalf of the board

G.A. Khalil

Mrs. G.A. Khalil
Chairman

PONTRALE LIMITED
TRADING AS PARCO'S RESTAURANT
AUDITORS' REPORT

Auditors' report to the members of

Pontrale Limited

We have audited the financial statements on pages 5 - 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of 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 error or other irregularity. 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 31.5.1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London
8 September 1998


M N Haque & Co.
Registered Auditors
Chartered Accountants

PONTRALE LIMITED

TRADING AS PARCO'S RESTAURANT

PROFIT AND LOSS ACCOUNT

for the year ended 31.5.1997

	Note	1997 £	1996 £
Turnover	2	897,980	778,183
Cost of sales		(494,805)	(431,492)
Gross profit		403,175	346,691
Net operating expenses			
Distribution costs		(75,259)	(57,747)
Administrative expenses		(237,516)	(218,555)
Other operating income		2,270	1,935
Operating profit	3	92,670	72,324
Interest payable	5	(1,061)	-
Profit on ordinary activities before taxation		91,609	72,324
Taxation	6	(22,302)	(17,910)
Profit on ordinary activities after taxation		69,307	54,414
Dividends	7	(60,000)	(40,000)
Retained profit for the year	16	9,307	14,414

Movements in reserves are shown in note 16.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

PONTROLE LIMITED
 TRADING AS PARCO'S RESTAURANT
 BALANCE SHEET
 at 31.5.1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	8	44,343	50,941
Current assets			
Stocks	10	23,944	16,537
Debtors	11	109,616	25,269
Cash at bank and in hand		99,706	104,175
		<u>233,266</u>	<u>145,981</u>
Creditors: amounts falling due within one year	12	<u>(192,926)</u>	<u>(130,796)</u>
Net current assets		<u>40,340</u>	<u>15,185</u>
Total assets less current liabilities		<u>84,683</u>	<u>66,126</u>
Creditors: amounts falling due after more than one year	13	<u>(51,750)</u>	<u>(42,500)</u>
		<u>32,933</u>	<u>23,626</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account	16	32,833	23,526
Total shareholders' funds	14	<u>32,933</u>	<u>23,626</u>

The financial statements on pages 5 - 11 were approved by the board of directors on 8 September 1998 and signed on its behalf by:

G.A. Khalil
 Mrs. G.A. Khalil
 Chairman

PONTRALE LIMITED

TRADING AS PARCO'S RESTAURANT

NOTES ON FINANCIAL STATEMENTS

31.5.1997

1 Accounting policies

Basis of accounting

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

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold land and buildings	-	Over 17 years of lease
Plant and machinery	-	20% on cost
Motor vehicles	-	25% on cost
Fixtures and fittings	-	20% on cost

Stocks

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

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

3 Operating profit

	1997 £	1996 £
Operating profit is stated after crediting		
Interest receivable	2,270	1,935
and after charging		
Staff costs (note 4)	269,038	240,935
Auditors' remuneration	1,000	1,475
Depreciation of tangible fixed assets (note 8)		
owned assets	6,598	8,628

PONTRALE LIMITED

TRADING AS PARCO'S RESTAURANT

NOTES ON FINANCIAL STATEMENTS

31.5.1997

4 Directors and employees

	1997	1996
Staff costs including directors' emoluments	£	£
Wages and salaries	268,535	240,432
Pension costs	503	503
	<u>269,038</u>	<u>240,935</u>
Average monthly number employed including executive directors:	Number	Number
Production staff	8	8
Sales staff	15	15
Administration staff	2	2
	<u>25</u>	<u>25</u>
Directors	£	£
Emoluments	54,491	55,091
Company contributions to money purchase pension schemes	503	503
	<u>54,994</u>	<u>55,594</u>

5 Interest payable

	1997	1996
	£	£
Other interest	1,061	-
	<u>1,061</u>	<u>-</u>

6 Taxation

	1997	1996
	£	£
Corporation tax on profit on ordinary activities at 24% (1996 25%)	22,302	17,910
	<u>22,302</u>	<u>17,910</u>

7 Dividends

	1997	1996
	£	£
Equity - ordinary/final	60,000	40,000
	<u>60,000</u>	<u>40,000</u>

PONTRALE LIMITED

TRADING AS PARCO'S RESTAURANT

NOTES ON FINANCIAL STATEMENTS

31.5.1997

8 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
1.6.1996 and 31.5.1997	3,450	2,358	25,040	38,822	69,670
Depreciation					
1.6.1996	1,726	1,160	8,988	6,855	18,729
Charge for year	863	240	3,210	2,285	6,598
31.5.1997	2,589	1,400	12,198	9,140	25,327
Net book amount					
31.5.1997	861	958	12,842	29,682	44,343
1.6.1996	1,724	1,198	16,052	31,967	50,941

9 Land and buildings

	1997 £	1996 £
Short leasehold	29,682	31,967

10 Stocks

	1997 £	1996 £
General stock	23,944	16,537
	23,944	16,537

11 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	103,786	19,950
Prepayments and accrued income	5,830	5,319
	109,616	25,269

PONTRALE LIMITED

TRADING AS PARCO'S RESTAURANT

NOTES ON FINANCIAL STATEMENTS

31.5.1997

12 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	51,381	40,812
Corporation tax	7,302	7,882
Other taxation and social security	56,645	32,257
Dividend	60,000	40,000
Accruals and deferred income	17,598	9,845
	<u>192,926</u>	<u>130,796</u>

13 Creditors: amounts falling due after more than one year

	1997 £	1996 £
Other loans	51,750	42,500
	<u>51,750</u>	<u>42,500</u>
	-	-
In five years or more	51,750	42,500
	<u>51,750</u>	<u>42,500</u>
Other loans	51,750	42,500
	<u>51,750</u>	<u>42,500</u>

14 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	69,307	54,414
Dividends	(60,000)	(40,000)
Net addition to shareholders' funds	<u>9,307</u>	<u>14,414</u>
Opening shareholders' funds	23,626	9,212
Closing shareholders' funds	<u>32,933</u>	<u>23,626</u>

PONTRALE LIMITED

TRADING AS PARCO'S RESTAURANT

NOTES ON FINANCIAL STATEMENTS

31.5.1997

15 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Authorised share capital - o	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Allotted called up and fully paid				
Authorised share capital - o	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

16 Profit and loss account

	1997 £
1.6.1996	23,526
Retained profit for the year	<u>9,307</u>
31.5.1997	<u>32,833</u>

PONTRALE LIMITED

TRADING AS PARCO'S RESTAURANT

TRADING AND PROFIT AND LOSS ACCOUNT

for the year ended 31.5.1997

	1997		1996	
	£	£	£	£
Turnover				
Sales		897,980		778,183
Cost of sales				
Opening stock	16,537		14,100	
Purchases	288,168		248,588	
Direct wages	214,044		185,341	
Closing stock	(23,944)		(16,537)	
		<u>494,805</u>		<u>431,492</u>
Gross profit		403,175		346,691
Other operating income				
Bank deposit interest		2,270		1,935
		<u>405,445</u>		<u>348,626</u>
Less overheads				
Licences & Membership Fees	1,198		987	
Motor expenses	271		496	
Telephone charges	1,912		2,194	
Sundry expenses	2,176		2,253	
Directors' emoluments & National Ins.	54,491		55,091	
Directors' money purchase pension sche	503		503	
Advertising	11,556		12,027	
Music, Band & Entertainment	23,837		18,047	
Floral and Decorations	3,602		2,267	
Napkins, Uniform, Laundry & Cleaning	12,638		11,552	
Cutlery & Tableware	10,634		4,495	
Transport and Travelling	2,416		2,006	
Printing postage and stationery	10,576		7,353	
Heating and lighting	17,299		9,544	
Repairs and renewals	16,955		12,502	
Office insurance	3,306		1,730	
Rent and rates	112,866		102,827	
Bank charges	2,238		2,440	
Credit Card Charges	14,864		13,108	
Other interest	1,061		-	
Legal and professional fees	839		4,202	
Auditors' remuneration	1,000		1,475	
Accountants' fees	1,000		575	
Depreciation short leasehold	2,285		2,285	
Depreciation motor vehicles	863		863	
Depreciation office equipment	240		472	
Depreciation fixtures and fittings	3,210		5,008	
		<u>313,836</u>		<u>276,302</u>
Net profit for the year		91,609		72,324